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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Huirong Financial Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Huirong Financial Holdings Limited

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1290)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Huirong Financial Holdings Limited to be held at Plaza 1–2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Monday, 26 May 2014 at 9:00 a.m. is set out on pages 33 to 37 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.cnhuirong.com>).

Whether or not you are able to attend the annual general meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting if they so wish.

22 April 2014

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DEFINITIONS

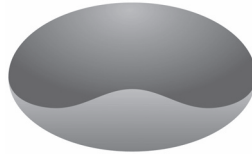
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the Share Option Scheme is unconditionally adopted by the Company and takes effect, being the date on which all the conditions to the Share Option Scheme have been fulfilled
“Annual General Meeting”	the annual general meeting of the Company to be held at Plaza 1–2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Monday, 26 May 2014 at 9:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors of the Company
“Company”	China Huirong Financial Holdings Limited 中國匯融金融控股有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Person”	an employee (whether full-time or part-time) or a director of a member of the Group
“Group”	the Company, its subsidiaries or associated company and the PRC Operating Entity and any of its subsidiaries or associated company or successor company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board
“Latest Practicable Date”	14 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	28 October 2013, being the date on which trading in the Shares commenced on the main board of Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	a right granted under the Share Option Scheme to subscribe for Shares in accordance therewith
“PRC”	the People’s Republic of China
“PRC Operating Entity”	蘇州市吳中典當有限責任公司 (Suzhou Wuzhong Pawnshop Co., Ltd.), a limited liability company established under the laws of the PRC on 21 December 1999, formerly known as 吳縣市吳中典當行有限公司 (Wuxian Wuzhong Pawnshop Co., Ltd.), a company which we do not own but the financial results of which have been consolidated and accounted for as a subsidiary of the Company by virtue of a series of contractual arrangements
“RMB”	the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Share Repurchase Mandate”	as defined in paragraph 3(a) of the Letter from the Board
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases published by the SFC as amended from time to time
“Wuzhong Group”	江蘇吳中集團有限公司 (Jiangsu Wuzhong Group Co., Ltd.), a limited liability company established under the laws of the PRC on 26 May 1992, formerly known as 江蘇吳中集團公司 (Jiangsu Wuzhong Group Co.)

LETTER FROM THE BOARD



China Huirong Financial Holdings Limited

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1290)

Executive Directors:

CHEN Yannan (*Chairman*)
WU Min
MAO Zhuchun

Non-executive Directors:

ZHUO You
ZHANG Cheng
CAO Jian

Independent Non-executive Directors:

ZHANG Huaqiao
FENG Ke
TSE Yat Hong

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business and
Head Office in the PRC:*

101 Dongwu North Road,
Suzhou, Jiangsu Province, PRC

*Principal Place of Business in
Hong Kong:*

Level 54, Hopewell Centre,
183 Queen's Road East, Hong Kong

Hong Kong, 22 April 2014

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the forthcoming Annual General Meeting which include, among other matters, (i) the re-election of the retiring Directors; (ii) the granting to the Directors of the Share Repurchase Mandate and the Issuance Mandate; and (iii) the proposed adoption of the Share Option Scheme, and the notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

According to Article 84(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Pursuant to Article 83(3) of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting; and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with the Articles of Association and in the opinion of the Board, Mr. Chen Yannan, Mr. Wu Min, Mr. Mao Zhuchun, Mr. Zhuo You, Mr. Zhang Cheng and Mr. Cao Jian will retire as directors at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The general mandates granted to the Directors to repurchase and issue Shares by the written resolutions of shareholders passed on 6 October 2013 will lapse at the conclusion of the Annual General Meeting. Therefore, in order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of an unconditional general mandate (the “**Share Repurchase Mandate**”) to the Directors to purchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and which is recognized by the SFC and the Stock Exchange for such purpose of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 10 of the notice of the Annual General Meeting as set out on pages 33 to 37 of this circular. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,025,237,000 Shares. On the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting and subject to the passing of the ordinary resolution for the approval of the Share Repurchase Mandate, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 102,523,700 Shares;

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- (b) the granting of an unconditional general mandate (the “**Issuance Mandate**”) to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 11 of the notice of the Annual General Meeting as set out on pages 33 to 37 of this circular. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,025,237,000 Share. On the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting and subject to the passing of the ordinary resolution for the approval of the Issuance Mandate, the Company shall be allowed under the Issuance Mandate to allot, issue and deal with a maximum of 205,047,400 Shares; and
- (c) the extension of the Issuance Mandate by adding the aggregate nominal amount of Shares repurchased by the Company pursuant to the Share Repurchase Mandate (if granted).

The Share Repurchase Mandate and the Issuance Mandate shall continue to be in force during the period from the date of passing of the ordinary resolutions for the approval of the Share Repurchase Mandate and the Issuance Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation or variation of the Share Repurchase Mandate or the Issuance Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

With reference to the Share Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The Board proposes to recommend to the Shareholders for consideration the adoption of the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular.

The Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approve and adopt the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme; and

LETTER FROM THE BOARD

- (b) the Listing Committee granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of the Options which may be granted under the Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options which may be granted under the Share Option Scheme.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

The exercise price of the Options to be granted under the Share Option Scheme shall be a price solely determined by the Board subject to such minimum amount as set out in the rules of the Share Option Scheme. Unless otherwise determined by the Board, there is neither any performance target under the Share Option Scheme which must be achieved by the option-holder before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised. Although the Share Option Scheme is not subject to any performance target and does not prescribe any minimum period for which an Option must be held before it can be exercised, the Directors believe that the requirements and conditions of the Share Option Scheme (as summarised in Appendix III), including the requirement for a minimum exercise price, the selection criteria prescribed by the scheme rules, and the necessary conditions that may be imposed by the Board as it thinks fit when it offers to grant any Option to any Eligible Person, will serve to protect the value of the Shares as well as to achieve the purpose of the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme as if they had been granted at the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such Options cannot be determined. The variables which are crucial for the determination of the value of such Options include the exercise price for the Shares to be issued upon the exercise of the Options, the timing of the grant of such Options and whether or not such Options, if granted, will be exercised by the option-holders. Thus, the Directors are of the view that the value of the Options that can be granted pursuant to the Share Option Scheme depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to the Shareholders in the circumstances.

LETTER FROM THE BOARD

Maximum number of Shares in respect of which Options may be granted under the Share Option Scheme

Subject to the obtaining of Shareholders' approval with respect to the adoption of the Share Option Scheme, pursuant to Rule 17.03 of the Listing Rules, the number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and options to be granted under any other share option schemes of the Company must not, in aggregate, exceed 10% of the total issued share capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from its Shareholders to renew the 10% limit. The Board shall not grant any Options which would result in the aggregate number of Shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company which provide for the granting of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the total issued share capital of the Company from time to time.

Based on the 1,025,237,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the Annual General Meeting, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Scheme are 102,523,700 Shares, being 10% of the total issued share capital of the Company.

Summary of the Principal Terms of the Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong during normal business hours on any business day (i.e. Monday to Friday, 9:00 a.m. to 5:00 p.m., Hong Kong time) from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting to be held at Plaza 1–2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 26 May 2014 at 9:00 a.m. is set out on pages 33 to 37 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, *inter alia*, the re-election of retiring Directors, the Share Repurchase Mandate, the Issuance Mandate, the extension of the Issuance Mandate and the adoption of the Share Option Scheme.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.cnhuirong.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, granting of the Share Repurchase Mandate and Issuance Mandate and adoption of the Share Option Scheme are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board
China Huirong Financial Holdings Limited
Chen Yannan
Chairman of the Board

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. Chen Yannan (陳雁南) (“Mr. Chen”), aged 63

Position and Experience

Mr. Chen Yannan, aged 63, is the Chairman of the Company and was appointed as an executive Director on 11 November 2011. Mr. Chen is responsible for convening and presiding over the board meetings regularly and making decisions for the key issues of the Company, such as determining the Company’s macroscopic development direction, researching into relevant national policies and avoiding the systemic risks in our industry. Mr. Chen joined the Group as an executive director of the PRC Operating Entity on 8 May 2005 and is responsible for overseeing the operations and making the decisions for the key issues of the Group. Throughout the Track Record Period, the PRC Operating Entity has been managed by Mr. Chen. He has also been a director of Wuzhong Jiaye since 2005. Mr. Chen was a director and the Deputy Chairman of the Board of Wuzhong Group from 1992 to 2003, and since 2003, Mr. Chen has been a director of Wuzhong Group, where his responsibilities include attending board meetings regularly and making decisions for the key issues of Wuzhong Group. He was also the General Manager of Wuzhong Group Sales Co., Ltd. (吳中集團銷售公司) from 1997 to 2004. Mr. Chen has approximately 7 years of experience in the short-term financing industry. Mr. Chen graduated from Changshu Advanced Vocational School of Jiangsu Province (江蘇省常熟高等專科學校) majoring in physical chemistry in July 1975. From 11 March 2004 to 16 April 2010, Mr. Chen was the Chairman of the Board of Supervisors (監事會) of Jiangsu Wuzhong Industrial Co., Ltd. (江蘇吳中實業股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600200) whose primary business is pharmaceutical and real estate and is not in competition with the Group.

Length of Service

Mr. Chen entered into a service contract with the Company for a term of three years with effect from 11 November 2011 on 6 October 2013, unless terminated by not less than two calendar months’ notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Chen does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chen was interested in the following shares or registered capital of the Company and its associated corporations pursuant to Part XV of the SFO:

- (i) 65,000,000 shares of the Company (representing 6.34% of the issued share capital of the Company) were held by Southern Swan Investment Co., Ltd. (南方大雁投資有限公司), a company wholly owned by Mr. Chen.
- (ii) RMB50,000,000 of the registered capital of an associated company of the Company, Jiangsu Wuzhong Jiaye Group Co., Ltd. (江蘇吳中嘉業集團有限公司), representing 10% of the registered capital in RMB of the associated company, were held by Mr. Chen personally.
- (iii) RMB10,000,000 of the registered capital of an associated company of the Company, Suzhou Xinqu Hengyue Management Consulting Co., Ltd. (蘇州新區恒悅管理諮詢有限公司), representing 10% of the registered capital in RMB of the associated company, were held by Mr. Chen personally.

Save as disclosed above, Mr. Chen was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's Emoluments

Pursuant to the service contract, Mr. Chen was entitled to an annual salary of RMB350,000 for the year ended 31 December 2013. Director's emoluments are recommended by the Remuneration Committee with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group and determined based on the remuneration and compensation packages of the Directors and senior management.

Other Information and Matters that Need to Be Disclosed and Brought to the Attention of the Shareholders

There is no other information which is discloseable nor is Mr. Chen involved in any other matters required to be disclosed pursuant to Rules 13.51 (2) (h) to 13.51 (2) (v) of the Listing Rules and there are no other matters concerning Mr. Chen that need to be brought to the attention of the Shareholders.

(2) Mr. Wu Min (吳敏) (“Mr. Wu”), aged 45**Position and Experience**

Mr. Wu Min, aged 45, is the Chief Executive Officer of the Company and was appointed as an executive director on 17 May 2012. Mr. Wu is responsible for the day-to-day operations and strategic development of the Company. Upon joining the Group on 26 January 2011, Mr. Wu has been the General Manager of the PRC Operating Entity. He possesses approximately 26 years of experience in commercial banking, finance and management. Mr. Wu worked in various positions in the Suzhou branch of the Industrial and Commercial Bank of China from 1985 to 2011, including being the President and Secretary of the Committee of Communist Party of China of the Wuzhong branch between 2005 and 2011. Mr. Wu graduated from Jiangsu Radio and TV University (江蘇廣播電視大學), majoring in finance, in July 1994; from the Party School of the Central Committee of the Communist Party of China Correspondence Institute (中共中央黨校函授學院), majoring in administrative management, in December 2001; and from the School of Business of Soochow University (蘇州大學商學院) in October 2003, where he completed a postgraduate course in finance. In November 2000, Mr. Wu obtained the Intermediate Economist qualification (中級經濟師任職資格) issued by the Ministry of Personnel of the PRC (中華人民共和國人事部).

Length of Service

Mr. Wu entered into a service contract with the Company for a term of three years with effect from 17 May 2012 on 6 October 2013, unless terminated by not less than two calendar months' notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Wu does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wu was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's Emoluments

Pursuant to the service contract, Mr. Wu was entitled to an annual salary of RMB350,000 for the year ended 31 December 2013. Director's emoluments are recommended by the Remuneration Committee with reference to salaries paid by comparable companies,

time commitment and responsibilities of the Directors and performance of the Group and determined based on the remuneration and compensation packages of the Directors and senior management.

Other Information and Matters that Need to Be Disclosed and Brought to the Attention of the Shareholders

There is no other information which is discloseable nor is Mr. Wu involved in any other matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wu that need to be brought to the attention of the Shareholders.

(3) Mr. Mao Zhuchun (毛竹春) (“Mr. Mao”), aged 40

Position and Experience

Mr. Mao Zhuchun, aged 40, is the chief financial officer of the Company and was appointed as an executive director on 17 May 2012. Mr. Mao is responsible for the overall financial management and control and accounting of the Company. In July 2003, Mr. Mao became the manager of the Assets Audit Department of Wuzhong Group. From January 2008 to April 2012, he was the chief financial officer of Wuzhong Group, where his responsibilities include overall financial management and control and accounting system of Wuzhong Group and its then subsidiary, the PRC Operating Entity. Prior to joining Wuzhong Group, Mr. Mao was employed as an assistant lecturer at the Economics and Management Department of Jiangnan University from July 1998. Mr. Mao graduated from Shaanxi Institute of Finance and Economics (陝西財經學院) in July 1997 with a bachelor's degree in economics and completed the Executive Master of Business Administration (EMBA) programme of Xi'an Jiaotong University with an EMBA degree in June 2013. Mr. Mao has been a member of the Chinese Institute of Certified Public Accountants since December 2001 and received the Senior International Finance Manager qualification on 25 November 2013.

Length of Service

Mr. Mao entered into a service contract with the Company for a term of three years with effect from 17 May 2012 on 6 October 2013, unless terminated by not less than two calendar months' notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Mao does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Mao was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's Emoluments

Pursuant to the service contract, Mr. Mao was entitled to an annual salary of RMB336,000 for the year ended 31 December 2013. Director's emoluments are recommended by the Remuneration Committee with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group and determined based on the remuneration and compensation packages of the Directors and senior management.

Other Information and Matters that Need to Be Disclosed and Brought to the Attention of the Shareholders

There is no other information which is discloseable nor is Mr. Mao involved in any other matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Mao that need to be brought to the attention of the Shareholders.

(4) Mr. Zhuo You (卓有) (“Mr. Zhuo”), aged 44**Position and Experience**

Mr. Zhuo You, aged 44, was appointed as a non-executive director on 17 May 2012. Mr. Zhuo is currently the director and Vice President of Wuzhong Group responsible for the strategic investment and overall management of Wuzhong Group. Mr. Zhuo is also Secretary of the Committee of the Communist Party of Wuzhong Group. He graduated from Suzhou Vocational University (蘇州市職業大學) in July 1990 where he completed a secretarial course. Mr. Zhuo was a reporter and editor of Suzhou Wuxian Radio Station (蘇州吳縣市廣播電台) from August 1990 to February 1995. Since 1995, he has held various positions including the positions of planning director, manager of the administration and management department, office director, assistant general manager and deputy managing director of Wuzhong Group and general manager of Suzhou Taihu Construction Investment Company (蘇州太湖建設投資公司), a subsidiary of Wuzhong Group.

Length of Service

Mr. Zhuo entered into a service contract with the Company for a term of three years with effect from 17 May 2012 on 6 October 2013, unless terminated by not less than two calendar months' notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Zhuo does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhuo was interested in the following shares or registered capital of the Company and its associated corporations pursuant to Part XV of the SFO:

- (i) 39,000,000 shares of the Company (representing 3.80% of the issued share capital of the Company) were held by Assyria Babylon Investment Co., Ltd, a company wholly owned by Mr. Zhuo.
- (ii) RMB30,000,000 of the registered capital of an associated company of the Company, Jiangsu Wuzhong Jiaye Group Co., Ltd. (江蘇吳中嘉業集團有限公司), representing 6% of the registered capital in RMB of the associated company were held by Mr. Zhuo personally.
- (iii) RMB6,000,000 of the registered capital of an associated company of the Company, Suzhou Xinqu Hengyue Management Consulting Co., Ltd. (蘇州新區恒悅管理諮詢有限公司), representing 6% of the registered capital in RMB of the associated company were held by Mr. Zhuo personally.

Save as disclosed above, Mr. Zhuo was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's Emoluments

Mr. Zhuo will not receive any remuneration from the Company in his capacity as a Director.

Other Information and Matters that Need to Be Disclosed and Brought to the Attention of the Shareholders

There is no other information which is discloseable nor is Mr. Zhuo involved in any other matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Zhuo that need to be brought to the attention of the Shareholders.

(5) Mr. Zhang Cheng (張成) (“Mr. Zhang”), aged 31**Position and Experience**

Mr. Zhang Cheng, aged 31, was appointed as a non-executive director on 17 May 2012. Mr. Zhang is responsible for the investor relation of the Company. Mr. Zhang graduated from Nanjing University with a bachelor’s degree in economics and a master’s degree in western economics in June 2002 and June 2005, respectively. Mr. Zhang was the investment manager of the Strategic Investment Department of Wuzhong Group from July 2005 to February 2006. From February 2006 to February 2008, he served as the assistant general manager of Jiangsu Wuzhong Hi-Tech Venture Capital Co., Ltd. (江蘇吳中高科創業投資有限公司), a subsidiary of Wuzhong Group, and from February 2008, he became the deputy general manager and from February 2011, he became the general manager of such company. From February 2010, Mr. Zhang also became the deputy general manager of Suzhou Education Investment Company (蘇州教育投資有限公司), a subsidiary of Wuzhong Group, and from February 2011, became the general manager of such company. During his various positions in Wuzhong Group and the two subsidiaries of Wuzhong Group, Mr. Zhang is responsible for the management and development in relation to investment in the bio-pharmaceutical, information technology areas and private education.

Length of Service

Mr. Zhang entered into a service contract with the Company for a term of three years with effect from 17 May 2012 on 6 October 2013, unless terminated by not less than two calendar months’ notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Zhang does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director’s Emoluments

Mr. Zhang will not receive any remuneration from the Company in his capacity as a Director.

Other Information and Matters that Need to Be Disclosed and Brought to the Attention of the Shareholders

There is no other information which is discloseable nor is Mr. Zhang involved in any other matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Mr. Zhang that need to be brought to the attention of the Shareholders.

(6) Mr. Cao Jian (曹健) (“Mr. Cao”), aged 36**Position and Experience**

Mr. Cao Jian, aged 36, was appointed as a non-executive director on 17 May 2012. From February 2001, Mr. Cao served as the deputy manager, then the manager of the legal department of Wuzhong Group. From 2009 to now, Mr. Cao has been the chief corporation lawyer of Wuzhong Group, where his responsibilities include participating in the due diligence, negotiation and drafting of legal documents for material corporation business activities and the overall management of legal affairs of Wuzhong Group. Mr. Cao graduated from Xuzhou Normal University (徐州師範大學) with a bachelor’s degree in law in June 2000 and obtained his qualifications of the PRC lawyer and PRC Enterprise Counsel in June 2001 and October 2003, respectively.

Length of Service

Mr. Cao entered into a service contract with the Company for a term of three years with effect from 17 May 2012 on 6 October 2013, unless terminated by not less than two calendar months’ notice in writing served by either party on the other.

Relationships

As far as the Directors are aware, Mr. Cao does not have any relationships with other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Cao was not interested or deemed to be interested in any shares or underlying shares and debentures of the Company or its associated corporations pursuant to Part XV of the SFO.

Director’s Emoluments

Mr. Cao will not receive any remuneration from the Company in his capacity as a Director.

**Other Information and Matters that Need to Be Disclosed and Brought to the Attention
of the Shareholders**

There is no other information which is discloseable nor is Mr. Cao involved in any other matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Cao that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,025,237,000 Shares.

Subject to the passing of the ordinary resolution set out in item 10 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 1,025,237,000 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, up to 102,523,700 Shares, representing 10% of the aggregate nominal amount of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and its Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASE

There might be a adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2013) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares were traded on the Stock Exchange during each of the months since the Listing Date are as follows:

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
October	2.23	2.01
November	2.30	1.53
December	1.84	1.60
2014		
January	1.86	1.48
February	1.81	1.40
March	1.75	1.37
April (<i>up to the Latest Practicable Date</i>)	1.59	1.44

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective connected persons (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Zhu Tianxiao and his associates (as defined in the Listing Rules), were interested in 325,000,000 Shares, representing approximately 31.70% of the issued shares of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the total shareholdings of Mr. Zhu Tianxiao and his associates would be increased to approximately 35.22% of the issued shares of the Company, thus giving rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. REPURCHASE OF SHARES MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

The following is a summary of the principal terms of the Share Option Scheme to be approved at the Annual General Meeting. It does not form part of, nor is it intended to be part of, the rules of the Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the Share Option Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary as contained in this Appendix.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

2. WHO MAY JOIN

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions under the Share Option Scheme) may, at its absolute discretion, offer to grant Option to subscribe for such number of Share(s) as the Board may determine to an Eligible Person.

In determining the basis of eligibility of each Eligible Person, the Board would take into account such factors as the Board may at its discretion consider appropriate, including the amount of contribution that the relevant Eligible Person has made or is likely to make towards the success of the Group or the length of service of the relevant Eligible Person with the Group.

3. CONDITIONS

The Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approve and adopt the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme; and
- (b) the Listing Committee granting approval of the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of the Options which may be granted under the Share Option Scheme.

4. DURATION AND ADMINISTRATION

- 4.1 Subject to the fulfilment of the conditions in paragraph 3 above and the termination provisions set out in in paragraph 16 below, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Options will be granted but in all other respects, the provisions of the

Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

- 4.2 The Share Option Scheme shall be subject to the administration of the Board whose decision shall be final and binding on all parties. The Board may, however, appoint administrator(s) in relation to the Share Option Scheme (or certain aspects thereof) on such terms as the Board may determine.

5. GRANT OF OPTIONS

- 5.1 On and subject to the terms of the Share Option Scheme, the Board shall be entitled at any time, within a period of ten (10) years after the Adoption Date, to offer the grant to any Eligible Person as the Board may in its absolute discretion select, and subject to any such conditions as the Board may at its absolute discretion think fit, an Option to subscribe for such number of Shares as the Board may (subject to paragraphs 9 and 10) determine at the exercise price.
- 5.2 No offer of grant of an Option shall be made after any inside information has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no option may be granted will cover any delay in the publication of a results announcement.
- 5.3 An offer of the grant of an Option shall be made to an Eligible Person by an offer letter in such form as the Board may from time to time determine (the "**Offer Letter**") specifying the number of Shares under the Option and requiring the Eligible Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An offer shall be open for acceptance for such period (not exceeding ten (10) days inclusive of and from the date of the offer of the grant of the relevant Options by the Board (the "**Offer Date**")) as the Board may determine and notify to the Eligible Person concerned (the "**Acceptance Period**") provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme or after the Share Option Scheme has been terminated in

accordance with the provisions of the Share Option Scheme, whichever is earlier. To the extent that an offer of Option is not accepted within the Acceptance Period, it will be deemed to have been irrevocably declined and shall lapse.

- 5.4 Subject to the provisions of the Share Option Scheme and the Listing Rules, the Board may when making an offer of the grant of an Option impose and specify in the Offer Letter any terms and conditions as it may at its absolute discretion think fit, including any vesting schedule and/or conditions, any minimum period for which any Option must be held before it can be exercised and/or any performance target which need to be achieved by an option-holder before the Option can be exercised. No Option may be exercised in any circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.
- 5.5 An offer of Option shall be deemed to have been accepted by the Eligible Person concerned and the Option to which the offer of Option relates shall be deemed to have been granted and to have taken effect on the Offer Date when the duplicate of the Offer Letter comprising acceptance of the offer duly signed by the Eligible Person concerned together with a remittance in favour of the Company of HK\$1.00 as a consideration for the granting thereof is received by the Company within the Acceptance Period. Such payment shall not be refundable and shall not be deemed to be part payment of the exercise price.

6. EXERCISE PRICE

Subject to any adjustments made pursuant to paragraph 11 below, the exercise price in respect of each Share to be issued pursuant to the exercise of the Options granted under the Share Option Scheme shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

- 6.1 the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Offer Date;
- 6.2 the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and
- 6.3 the nominal value of the Shares.

7. EXERCISE OF OPTIONS

- 7.1 An Option shall be personal to the option-holder and shall not be assignable or transferable. Except for the transmission of an Option on the death of an option-holder to his personal representatives, neither the Option nor any rights in respect of it may be assigned, sold, transferred, charged, mortgaged or otherwise disposed of by any option-

holder to any other person or entity. If an option-holder assigns, sells, transfers, charges, mortgages or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

- 7.2 An option-holder may exercise any or all of his Options by notice of exercise in writing in such form as the Board may from time to time require delivered to the chairman of the Company (or a person designated by him with the approval of the Board). The notice of exercise of the Option must be completed, signed by the option-holder or by his appointed agent, and must be accompanied by (i) the relevant Option certificate issued within seven (7) days after his acceptance of the offer of the grant of the Option in accordance with the Share Option Scheme by the Company to the option-holder and (ii) correct payment in full in cleared funds of the total exercise price for the number of Shares being acquired. Shares and the relevant Share certificate to be issued following the exercise of an Option shall be issued as soon as reasonably practicable (and, unless otherwise agreed between the Company and the option-holder, in any event within seven (7) days after the date on which correct payment in cleared funds of the exercise price for the number of Shares to be issued is received by the Company). However, if the Board considers that any restriction under any law or regulation or the rules of any stock exchange prevents the issue of Shares within this timeframe, the Shares will be issued or transferred within seven (7) days of the lifting of the restrictions.
- 7.3 Subject to as hereinafter provided and subject to the terms and conditions upon which such Option was granted, an Option may be exercised by the option-holder at any time during the option period, being the period which is determined and notified by the Board on the Offer Date when making an offer to an Eligible Person and which shall not exceed the period of five (5) years from the Offer Date of such Option (the “**Option Period**”), provided that:

(a) *Rights on voluntary resignation*

If an option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of Options shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Person, and all options (to the extent vested but not already exercised) will continue to be exercisable for a period of three (3) months from the date of cessation of employment of such Eligible Person.

(b) *Rights on termination of employment*

If an option-holder ceases to be an Eligible Person by reason of (i) his employer terminating his contract of employment in accordance with its terms or any right conferred on his employer by law, or (ii) his contract of employment, being a contract for a fixed term, expiring and not being renewed, or (iii) his employer terminating his

contract on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, then any outstanding offer of an Option and all Options, vested or unvested, will lapse on the date the option-holder ceases to be an Eligible Person.

(c) *Rights on death, disability, retirement and transfer*

If an option-holder ceases to be an Eligible Person by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the option-holder unfit to continue performing the duties under his contract of employment for the following 12 months provided such illness or injury is not self-inflicted; or
- (iii) his retirement in accordance with the terms of his contract of employment; or
- (iv) his early retirement by agreement with the his employer; or
- (v) his employer terminating his contract of employment by reason of redundancy; or
- (vi) his employer ceasing to be a member of the Group or under the control of the Company; or
- (vii) a transfer of the business, or the part of the business, in which the option-holder works to a person who is neither under the control of the Company nor a member of the Group;

then, any outstanding offer of an Option which has not been accepted and any unvested Option will lapse and the option-holder or his personal representatives (if appropriate) may exercise all his Options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any Option not exercised prior to the expiry of this period shall lapse.

(d) *Rights on cessation to be a director*

In the event that any director ceases to be a director of any member of the Group, the Company shall, as soon as practicable thereafter, give notice to the relevant option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an Option which has not been accepted and any unvested option will lapse on the date the

option-holder ceases to be an Eligible Person. The option-holder (or his personal representative) may exercise all his Options (to the extent vested but not already exercised) within a period of three months of the date of the notification by the Board. Any Option not exercised prior to the expiry of this period shall lapse.

(e) *Rights on a general offer*

If as a result of any general offer made to the holders of Shares, the Board becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror and any person associated with or acting in concert with the offeror (a “**Change of Control**”), the Board will notify every option-holder of this within 14 days of becoming so aware or as soon as practicable after any legal or regulatory restriction on such disclosure no longer applies. Each option-holder will be entitled to exercise his Options (to the extent vested but not already exercised) during the period of one month starting on the date of the Board’s notification to the option-holders. All Options, vested or unvested, not exercised before the end of such period will lapse.

(f) *Rights on company reconstructions*

In the event of a compromise or arrangement, the Company shall give notice to all option-holders on the same date as it gives notice of the meeting to the Shareholders or creditors to consider such a compromise or arrangement and each option-holder (or his personal representative) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his Options (to the extent vested but not already exercised), and subject to the Company receiving the exercise notice and the exercise price, the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or not unvested, not so exercised will lapse.

(g) *Rights on winding up*

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it dispatches such notice to the Shareholders give notice thereof to all option-holders and each option-holder shall be entitled to exercise all or any of his Options (to the extent vested but not already exercised) at any time no later than seven days prior to the proposed general meeting of the Company, and subject to the Company receiving the exercise notice and the exercise price, the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed

general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or not unvested, not so exercised will lapse.

- 7.4 No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association as amended from time to time and will rank equally in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

8. LAPSE OF OPTIONS

An Option will lapse and not be exercisable (to the extent not already exercised) on the earlier of:

- 8.1 the expiry of the Option Period as determined and notified by the Board to the Eligible Person;
- 8.2 the date on which the option-holder is in breach of sub-paragraph 7.1;
- 8.3 the expiry of any of the time provided for in the applicable rule where any of the circumstances provided in sub-paragraphs 7.3(a) to (g) above apply.

9. MAXIMUM NUMBER OF SHARES IN RESPECT OF WHICH OPTION MAY BE GRANTED

9.1 Subject to sub-paragraph 9.2 below:

- (a) The maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and options to be granted any other share option schemes of the Company must not, in aggregate, exceed 10% of the total issued share capital of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”). Options lapse in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Board may, with the approval of the Shareholders in general meeting, refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any options to be granted under any other share option schemes of the

Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the refreshment of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”. The Board may, with the approval of the Shareholders in general meeting, grant options to any Eligible Person specifically identified by them which would cause the Scheme Mandate Limit (including the Scheme Mandate Limit as “refreshed”) to be exceeded. The Company must send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

- 9.2 Notwithstanding any provision in paragraph 9.1 above and subject to paragraph 11, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH INDIVIDUAL

- 10.1 (a) No Options shall be granted to any Eligible Person under the Share Option Scheme which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of offer of such Options, exceeds 1% of the Shares in issue at such date.
- (b) Any further grant of options to an Eligible Person in excess of the 1% limit as mentioned in sub-paragraph 10.1(a) above shall be subject to the approval of the Shareholders in general meeting with such Eligible Person and his associates (as defined in the Listing Rules) abstaining from voting. The Company must send to the Shareholders a circular disclosing the identity of the Eligible Person in question, the number and terms of the options to be granted (and options previously granted to such Eligible Person) and such other information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

- (c) The number and terms (including the exercise price) of the options to be granted to such Eligible Person must be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.
- 10.2 (a) Each grant of Options to a director (including an independent non-executive Director) of any member of the Group, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules), under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the relevant Options).
- (b) Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director, or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme or any other share option scheme of the Company (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of Options by the Board must be approved by the Shareholders in general meeting. Any Shareholder who is a connected person (as defined in the Listing Rules) of the Company must abstain from voting on the resolution to approve such further grant of Options, except that such a connected person (as defined in the Listing Rules) may vote against such resolution subject to the requirements of the Listing Rules. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

- 10.3 In the event of any alteration in the capital structure of the Company whether by way of capitalization issue, rights issue, consolidation or subdivision of Shares, or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the maximum number of Shares referred to in the above subparagraphs 9.1 and 9.2, 10.1 and 10.2 will be adjusted in such manner as the auditors of the Company or an independent financial advisor appointed by the Board shall certify in writing to the Board to be fair and reasonable.

11. ALTERATIONS OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization issue, rights issue, consolidation or subdivision of Shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option (insofar as it is unexercised); and/or
- (ii) the price at which the Options are exercisable,

as the auditors of the Company or an independent financial advisor appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable. Notice of any adjustments shall be given by the Company to an option-holder.

Any such adjustments shall be made on the basis that an option-holder shall have the same proportion of the issued share capital of the Company as that to which he was entitled before such adjustment. No such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any option-holder would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustments.

The auditors of the Company or the independent financial advisor selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes), except where such adjustment is made on a capitalization issue.

The capacity of the auditors or independent financial advisors is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the option-holders in the absence of fraud or manifest error. The costs of the auditors or independent financial advisors shall be borne by the Company.

12. SHARE CAPITAL

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Company will keep available for allotment sufficient unissued Shares for all Options under which Shares may be subscribed upon their exercise.

13. DISPUTES

The decision of the Board on the interpretation of the provisions of the Share Option Scheme or as to whether any circumstances exist which may affect the treatment of any Option or any option-holder under the Share Option Scheme or in any dispute relating to any Option or matter relating to the Share Option Scheme shall be final and binding (in the absence of manifest error).

14. AMENDMENTS TO THE SHARE OPTION SCHEME

14.1 The Board may amend any of the provisions of the Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any option-holder at that date), except that amendments which are to the advantage of present or future option-holders in respect of matters contained in Rule 17.03 of the Listing Rules must be approved by the Shareholders in general meeting.

14.2 Any amendments to the terms and conditions of the Share Option Scheme which are of a material nature or any amendments to the terms of any options granted may only be made with the approval of the Shareholders save where the amendments take effect automatically under the existing terms of the Share Option Scheme.

14.3 Any amendments to the terms of Options granted to an option-holder who is a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates (as defined in the Listing Rules), must be approved by the Shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any connected person (as defined in the Listing Rules) of the Company must abstain from voting on the resolution to approve such amendment, except that such a connected person (as defined in the Listing Rules) may vote against such resolution.

14.4 Any change to the authority of the Board in relation to any amendment of the rules of the Share Option Scheme may only be made with the approval of the Shareholders in general meeting.

15. CANCELLATION OF THE OPTIONS GRANTED

Unless the option-holder agrees, the Board may only cancel an option (which has been granted but not yet exercised) if, at the election of the Board, either:

- (i) the Company pays to the option-holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board at its absolute discretion, after consultation with the auditors of the Company or an independent financial advisor appointed by the Board; or

- (ii) the Board offers to grant to the option-holder replacement options (or options under any other share option scheme of any member of the Group) or makes such arrangements as the option-holder may agree to compensate him for the loss of the Option; or
- (iii) the Board makes such arrangements as the option-holder may agree to compensate him for the cancellation of the Option.

16. TERMINATION OF THE SHARE OPTION SCHEME

The Share Option Scheme will expire automatically on the day immediately preceding the tenth anniversary of the Adoption Date. The Company by resolution in general meeting or the Board may terminate the Share Option Scheme at any time without Shareholders' approval by resolving that no further Options shall be granted under the Share Option Scheme. If the Board decides to terminate the Share Option Scheme at any time without Shareholders' approval by resolving that no further Options shall be granted under the Share Option Scheme, no new offers to grant Options under the Share Option Scheme will be made and any Options which have been granted but not yet exercised shall either (i) continue subject to the Share Option Scheme and their terms of issue, or (ii) be cancelled in accordance with paragraph 15 above.

17. MISCELLANEOUS

- 17.1 The Share Option Scheme shall not in any way be construed as imposing on any member of the Group a contractual obligation to any Eligible Person to offer participation in the Share Option Scheme. Any person who ceased to be an employee of any member of the Group because of lawful dismissal or termination of employment or who is under notice of such lawful dismissal or termination of employment will in no circumstances be entitled to claim any compensation in respect of the operation of the Share Option Scheme (except as expressly provided under the Share Option Scheme).
- 17.2 The Grantee shall pay all tax and discharge other liabilities to which he may become subject as a result of his participation in the Share Option Scheme or the exercise of any Option.
- 17.3 The Share Option Scheme and all Options granted thereunder shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.

NOTICE OF ANNUAL GENERAL MEETING



China Huirong Financial Holdings Limited

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1290)

Notice is hereby given that the Annual General Meeting of China Huirong Financial Holdings Limited (the “**Company**”) will be held at Plaza 1–2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Monday, 26 May 2014 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 December 2013;
2. To re-elect Mr. Chen Yannan as an executive director of the Company;
3. To re-elect Mr. Wu Min as an executive director of the Company;
4. To re-elect Mr. Mao Zhuchun as an executive director of the Company;
5. To re-elect Mr. Zhuo You as a non-executive director of the Company;
6. To re-elect Mr. Zhang Cheng as a non-executive director of the Company;
7. To re-elect Mr. Cao Jian as a non-executive director of the Company;
8. To authorize the board of directors to fix the respective directors’ remuneration; and
9. To re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

10. “**THAT:**
 - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total nominal amount of shares of the Company which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the securities of the Company may be listed and which is recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

11. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities which carry rights to subscribe for or are convertible into shares of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the exercise of options under a share option scheme of the Company; and
- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the said mandate shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 12. “**THAT** conditional upon the passing of resolutions set out in items 10 and 11 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 11 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 10 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

13. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, the shares in the capital of the Company with par value of HK\$0.01 each (“**Shares**”) to be issued and allotted by the Company pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are summarised in the circular of the Company dated 22 April 2014 and contained in the document marked “A” produced to the meeting and signed for the purpose of identification by the chairman of the meeting, the Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including without limitation:
- (a) administering the Share Option Scheme and granting options under the Share Option Scheme in accordance with the provisions thereof;
 - (b) modifying and/or amending the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
 - (c) issuing and allotting from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Share Option Scheme; and
 - (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme.”

By Order of the Board
China Huirong Financial Holdings Limited
Chen Yannan
Chairman of the Board

Suzhou, PRC, 22 April 2014

Notes:

1. All resolutions at the meeting (except those relate purely to the procedural or administrative matters, which should be taken by a show of hands as the chairman of the meeting may decide, in good faith) will be taken by a poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy (or more than one proxy if he/she is the holder of two or more shares) to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 21 May 2014 to Monday, 26 May 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on Tuesday, 20 May 2014.