
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Digital China Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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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神州控股
DC Holdings

DIGITAL CHINA HOLDINGS LIMITED

(神州數碼控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00861)

**GENERAL MANDATES
TO ISSUE SHARES AND TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 13 to 17 of this circular. If you are not able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof (as the case may be) should you so wish.

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 30 June 2016 at 9:30 a.m. or any adjournment thereof, notice of which is set out on pages 13 to 17 of this circular
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to buy back Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“Bye-Laws”	the bye-laws of the Company
“Company”	Digital China Holdings Limited (神州數碼控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	an authorisation to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares bought back under the Buy-back Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue and deal with new Shares not exceeding 15% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof, and the discount for any shares to be issued for cash shall not be 20% or more unless the Stock Exchange agrees otherwise

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DEFINITIONS

“Latest Practicable Date”	26 May 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time



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DIGITAL CHINA HOLDINGS LIMITED

(神州數碼控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00861)

Executive Directors:

Mr. GUO Wei (*Chairman*)

Mr. LIN Yang (*Chief Executive Officer*)

Non-executive Director:

Mr. Andrew Y. YAN

Independent Non-executive Directors:

Mr. WONG Man Chung, Francis

Ms. NI Hong (Hope)

Mr. ONG Ka Lueng, Peter

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Mr. LAI Daniel, *BBS, JP*

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

***Head Office and Principal Place of
Business in Hong Kong:***

Suite 2008, 20th Floor

Devon House

Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

30 May 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the AGM, ordinary resolutions will be proposed to approve (1) the granting of the Issue Mandate, (2) the granting of the Buy-back Mandate, (3) the granting of Extension Mandate, and (4) the re-election of the retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

2. ISSUE MANDATE AND BUY-BACK MANDATE

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 4(1) in the notice of AGM, will be proposed to the Shareholders to grant to the Directors the Issue Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,098,536,581 Shares and on the basis that no further Shares are issued or bought back by the Company prior to the date of the AGM, the Company will be allowed to issue up to a maximum of 164,780,487 Shares, being 15% of the issued share capital of the Company as at the Latest Practicable Date. Unless the Stock Exchange agrees otherwise, any Shares to be allotted and issued for cash under the authority granted by the proposed Issue Mandate shall not be at a discount of 20% or more to the “benchmarked price” (as described in Rule 13.36(5) of the Listing Rules).

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 4(2) in the notice of AGM, will be proposed to the Shareholders to grant to the Directors the Buy-back Mandate. An explanatory statement in compliance with Rule 10.06(1)(b) of the Listing Rules relating to the Buy-back Mandate is set out in Appendix I to this circular.

In addition, an ordinary resolution, full text of which is set out as resolution no. 4(3) in the notice of AGM, will be proposed at the AGM to grant to the Directors the Extension Mandate.

3. RE-ELECTION OF THE RETIRING DIRECTORS

Resolution no. 2 as set out in the notice of AGM relates to re-election of the retiring Directors.

In accordance with Bye-Law 99 of the Bye-Laws, Mr. LIN Yang, Mr. ONG Ka Lueng, Peter and Dr. LIU Yun, John will retire from office by rotation. In accordance with Bye-Law 102(B) of the Bye-Laws, Mr. LAI Daniel, *BBS, JP* who was appointed as a director with effect from 15 October 2015 will hold office until the forthcoming annual general meeting of the Company. Mr. ONG Ka Lueng, Peter has informed the Company that he will not offer himself for re-election and accordingly will retire as Director after the conclusion of the AGM. Save for Mr. ONG Ka Lueng, Peter, the other retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

Particulars of the retiring Directors subject to re-election are set out in Appendix II to this circular.

4. AGM

The notice convening the AGM is set out on pages 13 to 17 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form is also available at the websites of the Company at www.dcholdings.com.hk and the HKEx at www.hkexnews.hk. If you are not able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof (as the case may be) should you so wish.

5. VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. As such, all resolutions to be proposed at the AGM will be put to vote by way of poll.

After the closure of the AGM, the poll results will be published on the Company's website at www.dcholdings.com.hk and the HKEx's website at www.hkexnews.hk.

6. RECOMMENDATION

The Directors believe that (1) the grant of the Issue Mandate, (2) the grant of Buy-back Mandate, (3) the grant of Extension Mandate, and (4) the re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

7. GENERAL INFORMATION

Your attention is drawn to additional information as set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
GUO Wei
Chairman

The following explanatory statement contains all the information required by the Listing Rules in connection with the Buy-back Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each and the number of Shares in issue was 1,098,536,581.

Subject to the passing of the ordinary resolution for approving the Buy-back Mandate at the AGM and on the basis that no further Shares will be issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back up to a maximum of 109,853,658 Shares during the period in which the Buy-back Mandate remains in force. Any Shares bought back pursuant to the Buy-back Mandate must be fully paid-up.

REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate is in the interests of the Company and the Shareholders as a whole. Such buy-backs may, depending on the market conditions and funding arrangements, result in an increase in net assets and/or earnings per Share. The Directors are seeking the Buy-back Mandate to give the Company the flexibility to buy back Shares if and when appropriate. The Directors will decide the number of Shares to be bought back on each occasion and the price and other terms upon which the same are bought back at the relevant time having regard to the circumstances then pertaining.

FUNDING OF BUY-BACKS

It is envisaged that any buy-back would be funded out of funds legally available for such purpose under the Companies Act 1981 of Bermuda (as amended) and the memorandum of association and the Bye-Laws, i.e. either from the capital paid up thereon or out of the funds of the Company which would otherwise be available for dividend or distribution or from proceeds of a new issue of Shares made for such purpose. The premium payable on buy-backs (if any) shall be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are bought back. The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2015) in the event that the proposed Buy-back Mandate were to be carried out in full at any time during the period which the Buy-back Mandate remains in force. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.

DIRECTORS AND CORE CONNECTED PERSONS

None of the Directors nor, to their best knowledge and having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently intend to sell Shares to the Company in the event that the Buy-back Mandate is granted by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Buy-back Mandate is granted by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

TAKEOVERS CODE

If, as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company under Section 336 of Part XV of the SFO and to the best knowledge of the Directors, 廣州廣電運通金融電子股份有限公司 was the single largest shareholder of the Company, holding 121,751,000 Shares (representing approximately 11.08% of the issued share capital of the Company). In the event that the Buy-back Mandate were to be exercised in full and assuming that there is no alteration to the existing shareholdings of the Company, the shareholding of 廣州廣電運通金融電子股份有限公司 would increase to approximately 12.31% of the issued share capital of the Company. Unless its shareholdings is aggregated with other parties which are deemed by the Securities and Futures Commission to be its concert parties, such increase in its shareholdings as a result of the exercise in full of the Buy-back Mandate will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising the Buy-back Mandate in full. The Directors do not currently intend to exercise the Buy-back Mandate to an extent which would trigger a mandatory offer under Rules 26 and 32 of the Takeovers Code. In addition, the Directors do not intend to exercise the Buy-back Mandate to an extent which would result in the number of Shares in the hands of the public falling below 25% of the issued share capital of the Company.

SHARE BUY-BACKS MADE BY THE COMPANY

No buy-back of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

MARKET PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve calendar months preceding the Latest Practicable Date and up to that date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
May	10.4020*	6.9440*
June	9.6460*	6.4570*
July	7.0920*	3.9310*
August	6.2680*	4.3570*
September	5.3970*	4.3230*
October	5.7950*	4.8090*
November	6.5720*	5.1600*
December	6.1060*	5.2480*
2016		
January	5.9980*	5.1880*
February	6.1200*	5.3560*
March	7.3620*	5.9100*
April	6.9980*	5.3300
May (up to the Latest Practicable Date)	5.6700	4.6300

* *The prices of the Shares have been adjusted for the effect of the special cash dividend paid to the Shareholders on 19 April 2016. Details of the payment of the special cash dividend have been disclosed in the announcement of the Company dated 21 March 2016.*

Information as required to be disclosed under the Listing Rules on the retiring Directors for re-election at the AGM are set out as follows:

Mr. LIN Yang, aged 49, has been an Executive Director of the Company since 21 February 2001. He is also the Chief Executive Officer of the Group since 1 April 2011 and is responsible for the overall business management of the Group. He is also a director of certain subsidiaries of the Company. Mr. Lin graduated in 1988 with a Bachelor's Degree in Computing Communications from the Xidian University and in 2005 with a Master's Degree in Business Administration from Cheung Kong Graduate School of Business. Mr. Lin is currently the Vice Chairman of Digital China Information Service Company Ltd. (listed on The Shenzhen Stock Exchange). He was previously the Executive Vice President and the President of the Group and was appointed as the Chief Executive Officer of the Group in April 2011. He joined the Legend group in 1990 and has over 25 years of management experience in distribution business. Mr. Lin was awarded the Lifetime Achievement Award by the IT Channel Elite Panel in 2001 and recognised as the Most Influential Figure in IT Distribution of 20 Years in 2005. In 2013, he was also selected as one of the Leaders of the Year 2012 of the China Information Industry and Top-10 Annual Icons of the Year 2012 of Zhongguancun. Besides, Mr. Lin has been appointed as the Director for IT Channel Profession Council, under the MIIT (Ministry of Industry and Information Technology).

Save as disclosed above, Mr. Lin has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications.

Other than the relationship arising from his directorships in the Company, Mr. Lin does not have any relationship with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Lin is personally interested in 1,316,734 Shares, representing approximately 0.12% of the issued share capital of the Company. Save as disclosed above, Mr. Lin does not have, and is not deemed to have, any interest in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Lin is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 99 of the Bye-Laws of the Company. Mr. Lin entered into a service agreement with the Company which shall continue in force until terminated by (i) either the Company or Mr. Lin serving on the other not less than 3 months' notice, or (ii) his retirement as a director without being re-elected as a director by the Shareholders in an annual general meeting in accordance with the Bye-Laws of the Company, or (iii) in the event of Mr. Lin's default under the terms of the service agreement. Mr. Lin was entitled to salaries (included allowances, benefits in kind and pension scheme contributions) of approximately HK\$4,080,000 and a performance related bonus of approximately HK\$3,645,000 for the year ended 31 December 2015. With reference to Mr. Lin's responsibilities and the Company's business performance, as well as remuneration benchmark in the industry and the prevailing market conditions, the emolument of Mr. Lin

was determined by the Board and reviewed by Remuneration Committee. Pursuant to the service agreement, a discretionary bonus may be payable to Mr. Lin for each completed year of service in recognition of his contribution to the Company. Such bonus is determined at the Company's sole discretion with reference to the accomplishment of the important tasks and the Company's business performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

Dr. LIU Yun, John, aged 52, has been an Independent Non-executive Director of the Company since 25 March 2014. He was the Chief Business Officer of Qihoo 360 Technology Co. Ltd. from January 2014 to August 2015. Prior to that, he held senior positions in various renowned companies in the communication or networking or software arena as follows: Corporate Vice President and Head of Greater China of Google Inc. from 2008 to 2013; Chief Executive Officer, China Operations of SK Telecom Co., Ltd. from 2002 to 2007; General Manager, Greater China of FreeMarkets Inc. from 2000 to 2002; Chief Executive Officer, China Operations of SITA Communication from 1999 to 2000; General Manager, Telecommunication Group of The Lion Group from 1997 to 1999 and Country Director, Greater China of Singapore Telecommunications Limited from 1994 to 1997. Dr. Liu currently is an Independent Non-executive Director of ARM Holdings Plc. (listed on the London Stock Exchange).

Dr. Liu graduated from Beijing Normal University with a Bachelor's Degree in Mathematics in 1983 and obtained his Ph.D in Telecommunications Network Management from Technical University of Denmark in 1997. In 2011, Dr. Liu undertook a Senior Executive Program of Harvard Business School.

Save as disclosed above, Dr. Liu has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications. He does not hold any position with the Company and other members of the Company's group.

Other than the relationship arising from his directorship in the Company, Dr. Liu does not have any relationship with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dr. Liu does not have, and is not deemed to have, any interest in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service agreement between the Company and Dr. Liu. The appointment of Dr. Liu is not subject to fixed term of service, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 99 of the Bye-Laws of the Company. The annual director's fee of Dr. Liu is HK\$300,000 which was determined by reference to the remuneration benchmark in the market. Dr. Liu has no other emoluments including bonus and other allowance.

Mr. LAI Daniel, *BBS, JP*, aged 69, was appointed as an Independent Non-executive Director of the Company with effect from 15 October 2015. He is a seasoned Information Technology professional with over 40 years' experience in Hong Kong, Mainland, and Australia. He is a graduate of The Hong Kong Polytechnic University ("PolyU") and Griffith University with a Master's Degree in Technology Management. He is a Distinguished Fellow of Hong Kong Computer Society, a Fellow of The Hong Kong Institution of Engineers, and a Fellow of The Hong Kong Institute of Directors.

Mr. Lai is a director of Digital Technology and Consultancy Company Limited. He has been appointed as Professor of Practice (Computing) in the Department of Computing, PolyU for the period of 19 September 2015 to 18 September 2017. He was also the Interim Vice President (Administration) of PolyU from 19 March 2015 until 18 September 2015. Mr. Lai was the Government Chief Information Officer of the Hong Kong SAR Government (the "Government") from January 2012 to January 2015. Prior to joining the Government, Mr. Lai was the Head of Information Technology ("IT") at MTR Corporation Limited from 1999 to 2011 and held senior managerial positions in IT field at The Hong Kong Jockey Club in Hong Kong and Australia between 1978 and 1999.

Mr. Lai was an independent non-executive director of Tradelink Electronic Commerce Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited) from 20 May 2011 to 1 January 2012. He was also a director and an alternate director of Hong Kong Cyberport Management Company Limited (wholly-owned by the Government) respectively, and a director of Hong Kong Internet Registration Corporation Limited, Hong Kong Domain Name Registration Company Limited, E-Business Solutions Limited, Hong Kong Quality Assurance Agency and Pearl River Delta IT Cooperation and Exchange Centre.

Mr. Lai contributed significantly in promoting the application of IT in Hong Kong and the region. He has held many positions in public services and higher education institutions including President of Hong Kong Computer Society, President of Asian Pacific Information and Communications Technology Confederation, Chairman of PolyU's Department of Computing Advisory Committee, Chairman of Computer Science Departmental Advisory Committee of City University of Hong Kong, and also Adjunct Professor of the Graduate University of Chinese Academy of Sciences and the Zhongshan Institute of the University of Electronic Science and Technology of China.

In recognition of his contribution to the development and promotion of IT, Mr. Lai was awarded the Bronze Bauhinia Star in 2004. He was appointed a Justice of Peace in 2001. He has received numerous local, regional and international awards for his achievements.

Save as disclosed above, Mr. Lai has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications. He does not hold any position with the Company and other members of the Company's group.

Other than the relationship arising from his directorship in the Company, Mr. Lai does not have any relationship with any directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Lai is personally interested in 4,000 Shares. Save as disclosed above, Mr. Lai does not have, and is not deemed to have, any interest in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no service agreement between the Company and Mr. Lai. The appointment of Mr. Lai is not subject to fixed term of service, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 102(B) of the Bye-Laws of the Company. The annual director's fee of Mr. Lai is HK\$300,000 which was determined by reference to the remuneration benchmark in the market. Mr. Lai has no other emoluments including bonus and other allowance.

Save as disclosed above, each of the above Directors has confirmed that there are no other matters or information relating to his re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.



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DC Holdings

DIGITAL CHINA HOLDINGS LIMITED

(神州數碼控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00861)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Digital China Holdings Limited (the “Company”) will be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 30 June 2016 at 9:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2015.
2. To re-elect the retiring directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint the retiring auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions with or without modifications:

(1) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval

* For identification purpose only

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in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company, or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants of the Company and/or any of its subsidiaries of rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed fifteen per cent. (15%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly;

(c) unless The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) agrees otherwise, any shares of the Company to be allotted and issued for cash pursuant to the approval in paragraph (a) of this Resolution shall not be at a discount of 20 per cent. or more of the Benchmarked Price (as defined below) of such shares of the Company;

(d) for the purposes of this Resolution:

“Benchmarked Price” means the higher of:

- (i) the closing price of the shares of the Company as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price as quoted on the Stock Exchange of the shares of the Company for the 5 trading days immediately preceding the earlier of the date: (A) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company, (B) of the agreement involving the relevant proposed issue of shares of the Company and (C) on which the price of shares of the Company that are proposed to be issued is fixed.

and

“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;
- or

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this Resolution.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities which carry a right to subscribe for or purchase shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of shareholders of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of the shares of the Company (or, where appropriate, such other securities) (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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

(2) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval 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; or

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this Resolution.”
- (3) “**THAT** conditional upon the passing of Resolutions numbered 4(1) and 4(2) set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to Resolution numbered 4(1) set out in the notice convening this meeting and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company bought back by the Company under the authority granted pursuant to Resolution numbered 4(2) set out in the notice convening this meeting, provided that such extended amount shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

By Order of the Board
GUO Wei
Chairman

Hong Kong, 30 May 2016

Notes:

- (i) For the purposes of determining shareholders’ eligibility to attend and vote at the forthcoming annual general meeting to be held on Thursday, 30 June 2016, the register of members of the Company will be closed. Details of such closure are set out below:

For determining eligibility to attend and vote at the forthcoming annual general meeting:

Latest time to lodge transfer documents 4:30 p.m. on Tuesday, 28 June 2016
for registration

Closure of register of members Wednesday, 29 June 2016 to Thursday, 30
June 2016 (both dates inclusive)

Record date Thursday, 30 June 2016

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During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration at the public office of Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

- (ii) Any shareholder of the Company entitled to attend and vote at the annual general meeting or any adjournment thereof (as the case may be) shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (iii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the annual general meeting or any adjournment thereof (as the case may be), either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the annual general meeting or any adjournment thereof (as the case may be), then one of the said persons so present whose name stands first on the register of shareholders of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting thereof (as the case may be). Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting or at any adjourned meeting thereof (as the case may be).