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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer 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 **Silver Base Group Holdings Limited** (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**Silver Base Group Holdings Limited**

**銀基集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 886)**

**PROPOSED BONUS ISSUE OF SHARES  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial Adviser to the Company**



**WALLBANCK BROTHERS  
Securities (Hong Kong) Limited**

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A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 15 July 2016 at 2:30 p.m. is set out on pages 12 to 14 of this circular.

A form of proxy for use by shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so desire.

24 June 2016

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## DEFINITIONS

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

“Articles of Association”	the memorandum and articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“Bonus Issue”	the proposed bonus issue of Bonus Shares on the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of the Bonus Issue by the Company as described herein
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares on the main board of the Stock Exchange from 1,000 Shares to 3,000 Shares
“Company”	Silver Base Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 15 July 2016 at 2:30 p.m. or any adjournment thereof, to consider and, if thought fit, approve the proposed Bonus Issue
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 June 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and who is/are entitled to the Bonus Issue
“Record Date”	Monday, 25 July 2016, being the date by reference to which entitlements to the Bonus Issue will be determined
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 20 February 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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## EXPECTED TIMETABLE

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*The expected timetable relating to the proposed Bonus Issue and proposed Change in Board Lot Size is as follows:*

<b>EVENT</b>	<b>TIME/DATE</b>
Publication of the announcement . . . . .	Tuesday, 14 June 2016
Despatch of circular and notice of EGM. . . . .	Friday, 24 June 2016
Latest time for lodging transfer of Shares for registration in order to be entitled to attend EGM . . . . .	4:30 p.m., Tuesday, 12 July 2016
Latest time to return form of proxy for the EGM . . . . .	2:30 p.m., Wednesday, 13 July 2016
Closure of Register of Members for determining the identity of the Shareholders who are entitled to attend and vote at EGM . . . . .	Wednesday, 13 July 2016 to Friday, 15 July 2016 (both days inclusive)
Record date for attending and voting at the EGM . . . . .	Friday, 15 July 2016
Date and time of EGM. . . . .	2:30 p.m., Friday, 15 July 2016
Publication of poll results announcement of EGM. . . . .	Friday, 15 July 2016
<p>The following events are subject to the satisfaction of the conditions of the Bonus Issue as set out in this circular</p>	
Last day of dealings in Shares cum-entitlements to the Bonus Shares . . . . .	Tuesday, 19 July 2016
First day of dealings in Shares ex-entitlements to the Bonus Shares . . . . .	Wednesday, 20 July 2016
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue . . . . .	4:30 p.m., Thursday, 21 July 2016
Closure of Register of Members for determination of entitlement to the Bonus Issue . . . . .	Friday, 22 July 2016 to Monday, 25 July 2016 (both days inclusive)
Record Date for determination of entitlement to the Bonus Shares . . . . .	Monday, 25 July 2016

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## EXPECTED TIMETABLE

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EVENT	TIME/DATE
Register of Members re-opens . . . . .	Tuesday, 26 July 2016
Certificates of the Bonus Shares to be despatched. . . . .	On or before Tuesday, 2 August 2016
Last day of trading in board lot of 1,000 Shares . . . . .	Tuesday, 2 August 2016
Dealing in Bonus Shares commences . . . . .	9:00 a.m., Wednesday, 3 August 2016
Effective date of change in board lot size from 1,000 Shares to 3,000 Shares . . . . .	9:00 a.m., Wednesday, 3 August 2016
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Shares . . . . .	9:00 a.m., Wednesday, 3 August 2016
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Shares . . . . .	4:00 p.m., Tuesday, 23 August 2016

*Note:* all times refer to Hong Kong local time in this circular

The expected timetable above is indicative only and may be subject to change by the Company. The Company will make further announcement(s) if such changes are made as and when appropriate.

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LETTER FROM THE BOARD

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**Silver Base Group Holdings Limited**

**銀基集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 886)**

*Executive Directors:*

Liang Guoxing

*(Chairman and Chief Executive Officer)*

Wang Jindong

Cheung Mei Sze

*Non-Executive Directors:*

Wu Jie Si

Chen Sing Hung Johnny

Joseph Marian Laurence Ozorio

*Independent non-executive Directors:*

Hung Sui Kwan

Ma Lishan

Lee Kwok Keung Edward

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Room 1802-03, 18th Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

24 June 2016

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the proposed Bonus Issue, the proposed Change in Board Lot Size and notice of the EGM at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the proposed Bonus Issue.

The Bonus Issue is proposed to be made to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

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## LETTER FROM THE BOARD

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### PROPOSED BONUS ISSUE OF SHARES

Reference is made to the announcement of the Company dated 14 June 2016 in which the Board announced the proposed Bonus Issue to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, upon the fulfillment of the conditions set out under the section headed “Conditions of the Bonus Issue” below. The Bonus Shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. Details of the Bonus Issue are set out below:

#### Basis of Bonus Issue

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

Assuming that there is no change to the number of issued Shares on or before the Record Date, on the basis of 1,515,205,997 existing Shares in issue as at the Latest Practicable Date, approximately 757,602,998 Bonus Shares will be issued representing approximately 50% of the existing issued share capital as at the date hereof. After the completion of the Bonus Issue, there will be a total of approximately 2,272,808,995 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount of approximately HK\$75,760,300 in the share premium account of the Company pursuant to the Bonus Issue. The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects.

The exact total number of the Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date.

The Bonus Issue is not renounceable.

#### Adjustments to the share options granted under the Share Option Scheme

As at the Latest Practicable Date, there are 106,000,000 share options outstanding. Implementation of the Bonus Issue may lead to adjustments to the subscription price and/or the number of Shares to be issued upon exercise of any outstanding share options granted under the Share Option Scheme. As the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make further announcement(s) for the adjustments to the share options granted under the Share Option Scheme and notify the respective holders of the share options regarding the adjustments to be made pursuant to the respective terms and conditions applicable to such share options.

#### Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue;



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## LETTER FROM THE BOARD

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- (ii) the Listing Committee granting the listing of, and permission to deal in the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the Articles of Association to effect the Bonus Issue.

### **Application for Listing of the Bonus Shares**

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Bonus Shares.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

It is expected that dealing in the Bonus Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 3 August 2016.

### **Overseas Shareholders**

As at the Latest Practicable Date, the Company does not have any Overseas Shareholders. The Company will continue to ascertain whether there are any other Overseas Shareholders on the Record Date. Enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules on the legal restrictions under the laws of the relevant place(s) and requirements of the relevant regulatory body or stock exchange in that/those place(s) for extending the Bonus Issue to such other Overseas Shareholders (if any). Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Overseas Shareholders.

In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Overseas Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

Notwithstanding the enquiries made by the Company with its legal advisers, any Shareholder with a registered address outside Hong Kong or otherwise residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Bonus Shares under the Bonus Issue and the taxation consequences of receiving the Bonus Shares. It is the responsibility of the Shareholders who receive the Bonus Shares under the Bonus Issue to comply with the laws of the relevant jurisdiction(s).

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## LETTER FROM THE BOARD

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### **Status of the Bonus Shares**

The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares.

### **Fraction of Bonus Shares**

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be disregarded by the Company.

### **Certificates for the Bonus Shares**

It is expected that share certificates for the Bonus Shares will be posted to the Qualifying Shareholders on or before Tuesday, 2 August 2016 upon fulfillment of the conditions of the Bonus Issue at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date.

Subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above, dealing in the Bonus Shares on the Stock Exchange is expected to commence at 9:00 a.m. on Wednesday, 3 August 2016.

### **Closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Overseas Shareholders is elaborated above under the heading “Overseas Shareholders”.

For the purpose of determining Shareholders’ entitlements to the Bonus Issue, the register of members of the Company will be closed from Friday, 22 July 2016 to Monday, 25 July 2016 (both days inclusive), during which no transfer of Shares will be registered.

Shareholders are reminded that in order to qualify for the entitlements to the Bonus Issue, they must ensure that all transfers are lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 July 2016.

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## LETTER FROM THE BOARD

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### **CHANGE IN BOARD LOT SIZE**

In order to increase the value of each board lot of the Shares after the Bonus Issue, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading in the Shares from 1,000 Shares to 3,000 Shares with effect from 9:00 a.m. on Wednesday, 3 August 2016, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above.

Based on the closing price of HK\$1.23 per existing Share as quoted on the Stock Exchange as at the Latest Practicable Date (equivalent to a theoretical ex-entitlement price of approximately HK\$0.82 per Share upon the allotment of the Bonus Shares), the market value of each board lot of 1,000 Shares is estimated to be approximately HK\$820 upon the allotment of the Bonus Shares. With the Change in Board Lot Size to be implemented by the Board, the market value per board lot of 3,000 (instead of 1,000) Shares is estimated to be approximately HK\$2,460, based on the theoretical ex-entitlement price of approximately HK\$0.82 per Share. Save as disclosed herein, the Change in Board Lot Size will not affect the rights of the Shareholders.

The proposed Change in Board Lot Size is conditional upon the Bonus Issue becoming effective. In the event that the ordinary resolution to approve the Bonus Issue is not passed by the Shareholders at the EGM, the Board will not proceed with the proposed Change in Board Lot Size.

### **Odd Lot Arrangement**

In order to alleviate the inconvenience of trading of Shares arising from the existence of odd lots of the Shares as a result of the Bonus Issue and the Change in Board Lot Size, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 3 August 2016 to 4:00 p.m. on Tuesday, 23 August 2016, both days inclusive. Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their brokers to contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m. within such period).

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement.

Dealing in the Shares on the Stock Exchange in the new board lot size of 3,000 Shares is expected to commence at 9:00 a.m. on Wednesday, 3 August 2016.

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## LETTER FROM THE BOARD

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As from 9:00 a.m., Wednesday, 3 August 2016, all new share certificates will be issued in board lot of 3,000 Shares each (except for odd lots or where the Company's branch share registrar is otherwise instructed). All existing share certificates in board lot of 1,000 Shares each will continue to be good evidence of legal title to such Shares and be valid for transfer, trading, delivery and settlement purposes. Save and except for the change in the number of Shares for each board lot, the new share certificate(s) will have the same format and colour as the existing share certificates.

No new share certificates for existing shareholdings will be issued as a result of the Change in Board Lot Size, and there will be no arrangement for free exchange of existing share certificates in board lot size of 1,000 Shares to new share certificates in board lot size of 3,000 Shares.

### REASONS FOR AND BENEFIT OF THE BONUS ISSUE

Reference is made to the announcement of the Company dated 23 February 2016 (the "**Profit Alert Announcement**"), in relation to, among other matters, positive profit alert for the year ended 31 March 2016.

According to the Profit Alert Announcement, the Group is expected to record substantial increase in its revenue for the year ended 31 March 2016, as compared to the loss for the year ended 31 March 2015. Moreover, there are signals that the market conditions of Chinese liquor (baijiu) industry begin to improve as evidenced by the positive operating results of the operators of the industry. The Company has not declared any dividend since 2013, hence the Board considers that it is an appropriate time to recognize the continuous support of the Shareholders during the difficult period of the Chinese liquor (baijiu) industry in previous few years by proposing the Bonus Issue.

Given the operating and cash flow conditions of the Group, the Board considers that it is a prudent measure to declare the Bonus Issue in lieu of cash dividend in order to preserve the cash position of the Group. The Board believes the Bonus Issue will enable the Shareholders to enjoy a pro-rata increase in the number of Shares being held in the Company without incurring any significant costs to the Shareholders. The proportional interest of the Shareholders in the Company would not be affected by the Bonus Issue.

The Company has also considered other alternatives to achieve the above purposes, including the issue of cash dividend. However, after considering the operating and cash flow conditions of the Group, the Board considers that it is a prudent measure to declare Bonus Issue in lieu of cash dividend.

The Directors consider that the Bonus Issue and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

The said financial information is only based on a preliminary assessment by the Group's management on the management accounts of the Group and the information currently available, and is subject to possible adjustments recommended by the independent auditors of the Company after their audit to the financial statements for the year ended 31 March 2016 of the Group, if any. The annual results announcement of the Company for the year ended 31 March 2016 is expected to be announced on 27 June 2016.

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## LETTER FROM THE BOARD

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**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

### **THE EGM**

The EGM will be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 15 July 2016 at 2:30 p.m. to consider and, if thought fit, to approve the Bonus Issue. A notice convening the EGM is set out on pages 12 to 14 of this circular.

The resolution for the Bonus Issue will be proposed at the EGM for your consideration and approval. The resolution proposed at the EGM will be voted on by poll. A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the Company's branch share registrar and transfer office 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 holding the EGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the EGM in person.

### **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 Group. 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 aspects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

The Directors consider that the Bonus Issue referred to in this circular is in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolution proposed at the EGM.

### **GENERAL INFORMATION**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
On behalf of the Board  
**Silver Base Group Holdings Limited**  
**Liang Guoxing**  
*Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Silver Base Group Holdings Limited

銀基集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 886)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders (the “Shareholders”) of Silver Base Group Holdings Limited (the “Company”) will be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 15 July 2016 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“THAT subject to and conditional upon (i) the listing committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting, or agreeing to grant the listing of, and permission to deal in, the Bonus Shares (as hereinafter defined); and (ii) compliance with the relevant legal procedures and requirements under the applicable laws of the Cayman Islands and the memorandum and articles of association of the Company to effect the Bonus Issue (as hereinafter defined):

- (a) upon the recommendation of the directors of the Company (the “Directors”), an amount standing to the credit of the share premium account of the Company be capitalised and accordingly the Directors be and are hereby authorised and directed to apply such amount in paying up in full at par new shares of HK\$0.10 each in the share capital of the Company (the “Bonus Share(s)”), and that such Bonus Shares shall be issued, allotted and distributed, credited as fully paid up at par value on a pro rata basis to and amongst those shareholders whose names appear on the register of members of the Company (the “Register of Members”) at the close of business on Monday, 25 July 2016 (the “Record Date”) on the basis of one (1) Bonus Share for every two (2) existing shares of HK\$0.10 each in the capital of the Company held by them respectively on the Record Date as at the close of business (the “Bonus Issue”);
- (b) in case where the address of any shareholder of the Company as shown on the register of members at the close of business on the Record Date is outside Hong Kong (the “Overseas Shareholders”) and upon making relevant enquiries, if the Board is of the view that for Overseas Shareholders who will not be entitled to the Bonus Issue because of the legal restrictions under the laws or statutory regulations of their jurisdiction or the requirements of the stock exchange in that jurisdiction, arrangements will be made for the Bonus Shares which would otherwise have been issued to such Overseas Shareholders to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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proceeds of such sale, after deduction of expenses, of HK\$100.00 or more, will be distributed in Hong Kong dollars to the relevant Overseas Shareholders by ordinary post to them the remittances therefor at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100.00 in which case it will be retained for the benefit of the Company;

- (c) the Bonus Shares to be issued pursuant to this resolution shall be subject to the memorandum and articles of association of the Company and shall rank *pari passu* in all respects with the shares of HK\$0.10 each in the capital of the Company in issue on the Record Date as at the close of business, except that they will not rank for the bonus issue of shares mentioned in this resolution; and
- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be allotted, issued and distributed in the manner referred to in paragraph (a) of this resolution.”

By Order of the Board  
**Silver Base Group Holdings Limited**  
**Liang Guoxing**  
*Chairman*

Hong Kong, 24 June 2016

*Registered Office:*

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

*Head office and principal place of*

*business in Hong Kong:*  
Room 1802-03, 18th Floor  
Far East Finance Centre  
16 Harcourt Road  
Hong Kong

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Any Shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder. 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.
2. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint Shareholders any one of such joint Shareholder may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the EGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.
5. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office 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 for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
6. As at the date of this notice, the board of the company comprises of Mr. Liang Guoxing (Chairman), Mr. Wang Jindong and Ms. Cheung Mei Sze as executive Directors; Mr. Wu Jie Si, Mr. Chen Sing Hung Johnny and Mr. Joseph Marian Laurence Ozorio as non-executive Directors; and Mr. Hung Sui Kwan, Mr. Ma Lishan and Mr. Lee Kwok Keung Edward as independent non-executive Directors.