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If you have sold or transferred all your shares in Sino Harbour Holdings Group 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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SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

PROPOSALS FOR

(1) RE-ELECTION OF DIRECTORS,

AND

(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

AND

(3) BONUS ISSUE

AND

NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed "Definitions" of this circular.

A notice convening the AGM to be held at Room 1215, Tower B, Hungghom Commercial Centre, 37-39 Ma Tau Wai Road, Hungghom, Kowloon, Hong Kong at 10:00 a.m. on Tuesday, 26 July 2016 is set out on pages 18 to 23 of this circular.

A form of proxy for use in connection with the AGM is enclosed with this circular. If you are unable to attend the AGM and wish to exercise your right as a Shareholder, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrar (HK) Limited of 31/F., 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding of the AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending, and voting in person at the AGM or its adjournment if you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

24 June 2016

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This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular will prevail.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong at 10:00 a.m. on Tuesday, 26 July 2016
“AGM Notice”	the notice convening the AGM, which is set out on pages 18 to 23 of this circular
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the Bonus Shares on the basis of one Bonus Share for every one Share held on the Bonus Issue Record Date
“Bonus Issue Record Date”	Thursday, 4 August 2016, being the date for ascertaining the entitlement of the Shareholders to the Bonus Shares under the Bonus Issue
“Bonus Share(s)”	the new Share(s) proposed to be issued under the Bonus Issue
“Bye-laws”	the bye-laws of the Company, as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Sino Harbour Holdings Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1663)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the number of the Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“i.e.”	that is
“INED(s)”	the independent non-executive Director(s)
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the aggregate number of the Shares in issue as at the date of passing of the relevant resolution at the AGM
“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
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) as shown on the Register of Members on the Bonus Issue Record Date is/are outside Hong Kong
“Pan Hong Holdings”	Pan Hong Holdings Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of Singapore Exchange Securities Trading Limited and a controlling shareholder of the Company

DEFINITIONS

“PRC”	the People’s Republic of China (which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan)
“Register of Members”	register of members of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares not exceeding 10% of the aggregate number of the Shares in issue as at the date of passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 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
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers as amended, supplemented or otherwise modified from time to time
“Year”	the financial year ended 31 March 2016
“%”	per cent.

LETTER FROM THE BOARD



SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

Executive Directors:

SHI Feng (*Deputy Chairman*)
WONG Lui
GAO Lan

Registered Office:

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

Non-executive Director:

CHAN Heung Ling (*Chairlady*)

Principal Place of Business in Hong Kong:

Room 1215, Tower B,
Hung Hom Commercial Centre,
37-39 Ma Tau Wai Road,
Hung Hom, Kowloon, Hong Kong

Independent Non-executive Directors:

XIE Gang
LEE Man To
ZHANG Juan

24 June 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) RE-ELECTION OF DIRECTORS,
AND
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
(3) BONUS ISSUE
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and the information regarding the resolutions to be proposed at the AGM relating to:

- (i) the re-election of Directors;

LETTER FROM THE BOARD

- (ii) the grant of the Issue Mandate;
- (iii) the grant of the Repurchase Mandate;
- (iv) the grant of the Extension Mandate; and
- (v) the Bonus Issue.

RE-ELECTION OF DIRECTORS

In accordance with bye-law 84(1) of the Bye-laws, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation. Mr. SHI Feng, an executive Director, Ms. CHAN Heung Ling, a non-executive Director, and Mr. LEE Man To, an INED will retire at the AGM and, being eligible, offer themselves for re-election in accordance with bye-law 84 of the Bye-laws. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

The Nomination Committee has assessed and reviewed the written confirmation of each of the INEDs based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the INEDs, including Mr. LEE Man To remain independent. The Nomination Committee has also evaluated the performance of the retiring Directors for the Year and finds their performance satisfactory. In addition, with the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely Mr. SHI Feng, Ms. CHAN Heung Ling and Mr. LEE Man To stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant Board Meeting on the respective propositions of their recommendations for re-election by the Shareholders.

GRANT OF ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

Pursuant to the resolutions passed by the Shareholders on 23 July 2015, among other things, the Directors were granted (a) a general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the Shares in issue at the date of passing of the relevant resolution; (b) a general and unconditional mandate to repurchase Shares not exceeding 10% of the aggregate number of the Shares in issue at the date of passing of the relevant resolution; and (c) the power to extend the general mandate mentioned in (a) above by adding thereto the aggregate number of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to (b) above.

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares not exceeding 20% of the total number of the Shares in issue on the date of passing of such resolution. As at the Latest Practicable Date, there were in issue an aggregate of 1,232,000,000 Shares;

LETTER FROM THE BOARD

- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase the Shares on the Stock Exchange not exceeding 10% of the total number of the Shares in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Subject to the approval of the above proposals by the Shareholders at the AGM, the Issue Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by any applicable laws or the Bye-laws to be held; or (c) the revocation, variation or renewal of the authority given to the Directors thereunder by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

On the basis that no Shares are issued or repurchased and cancelled prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 246,400,000 new Shares. The Directors wish to state that they have no immediate plan to allot and issue any new Shares under the Issue Mandate.

Under the Listing Rules, the Company is required to give the Shareholders all information, which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

BONUS ISSUE

As stated in the Company's announcement dated 27 May 2016 relating to the annual consolidated results of the Group for the Year, amongst other matters, the Board has resolved to recommend the Bonus Issue on the basis of one Bonus Share for every one Share in issue held on the Bonus Issue Record Date. The Bonus Shares will be allotted and issued, credited as fully paid-up, by way of capitalisation of an amount equal to the aggregate par value of the Bonus Shares standing to the credit of the share premium account of the Company. The Bonus Shares, when issued, will rank *pari passu* in all respects with the Shares then in issue. The Bonus Issue is non-renounceable.

As at the Latest Practicable Date, there were a total of 1,232,000,000 Shares in issue. Assuming that there will be no change in the number of Shares in issue from the Latest Practicable Date up to and including the Bonus Issue Record Date, 1,232,000,000 Bonus Shares will be issued under the Bonus Issue. After the completion of the Bonus Issue, there would be a total of 2,464,000,000 Shares in the enlarged capital of the Company.

LETTER FROM THE BOARD

a. Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM approving the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Bonus Shares.

b. Reasons for the Bonus Issue

The Directors do not propose the payment of a cash dividend in respect of the Year as they wish to retain more cash for the Group's development. However, the Directors have recommended the Bonus Issue to the Shareholders for their trust and support in the Group's development.

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 them. Despite the fact that the price per Share on an ex-entitlement basis would be reduced by 50% and the Bonus Issue is not expected to increase their proportionate equity interests in the Company, the Bonus Issue will substantially increase (i.e. by 100%) the number of Shares to be held by the Shareholders, which will enable them to enjoy more flexibility in managing their own investment portfolios such as giving them an opportunity to dispose of their Shares and realise a cash return to meet the individual Shareholders' financial needs in good market conditions.

The Board also believes that even if the price per Share on an ex-entitlement (or a post Bonus Issue) basis may be reduced by the same proportion, the Bonus Issue will not have any change in the relative rights or proportionate equity interest of the Shareholders after the Bonus Issue. By way of illustration only, based on the closing price of HK\$1.41 per Share as at the Latest Practicable Date, the theoretical price per Share would decrease to HK\$0.705 had the Bonus Issue taken place.

In addition to and as a result of the above, as the bid-offer spread of the Shares will remain unchanged (i.e. HK\$0.01), the spread as a percentage of the Share price will be increased immediately after the Bonus Issue. This may induce frequent traders as the profitability of a rise in a single "spread" is enhanced (provided that such frequent traders are willing to accept an increased potential loss of a fall in a single "spread"). However, the transaction cost (in terms of the percentage of bid-offer spread to the Share price) may be increased, which may have a negative impact on the liquidity of the Shares. On the other hand, as the Bonus Issue will increase the number of the Shares outstanding and reduce the price of each Share, it may increase the liquidity of the Shares in the market or their trading volume. Given the above, the Company considers that it is inconclusive as to whether the liquidity of the Shares will or will not decrease after the Bonus Issue. Lastly, the expenses arising from the Bonus Issue will be insignificant.

LETTER FROM THE BOARD

The Board has also considered alternative methods, including a sub-division of Shares to achieve the above purposes. Having considered the simpler administrative procedures to be involved and the much lower expenses to be incurred for the Bonus Issue, as well as the fact that no odd lot will arise as a result of the Bonus Issue, the Directors consider that the Bonus Issue is more appropriate in achieving the abovementioned purposes taking into account the interests of the Company and the Shareholders as a whole.

In light of the above, the Board considers that the implementation of the Bonus Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders are advised to:

- (i) take note that the information mentioned in the above paragraphs is considered as forward looking and is based on management's assumptions, current beliefs and estimates that are subject to risks, uncertainties and other factors in the market and under no circumstances shall it be considered as a guarantee for future performance and therefore actual results may differ materially from those presented in this circular;
- (ii) take note of the potential positive and negative impact on the liquidity and the trading volume of the Shares; and
- (iii) consult their professional advisers if they are in doubt about the advantages and disadvantages of the Bonus Issue.

c. Record dates and closure of Register of Members

To determine the Shareholders' entitlement to the Bonus Shares under the Bonus Issue, the Register of Members will be closed from Monday, 1 August 2016 to Thursday, 4 August 2016, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Bonus Shares, all relevant transfer document(s) and share certificate(s) must be lodged with the Company's branch share registrar, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 29 July 2016.

d. Listing and dealing

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Bonus Shares. The Shares are not listed nor dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for the listing of, or the permission to deal in, the Bonus Shares on any stock exchange other than the Stock Exchange.

Subject to the fulfillment of the conditions as set out in the paragraph headed "Conditions of the Bonus Issue" above, which include the Listing Committee granting the listing of, and the 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 the CCASS. Shareholders should seek the advice of their licensed securities

LETTER FROM THE BOARD

dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All necessary arrangements, if required, will be made for the Bonus Shares to be admitted to the CCASS. All activities under the CCASS are subject to the general rules and the operational procedures of the CCASS in effect from time to time.

The certificates for the Bonus Shares are expected to be posted by surface mail to the Shareholders entitled thereto to their respective addresses shown on the Register of Members or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the Register of Members of the joint holding at their own risk on or about Friday, 12 August 2016. Dealings in the Bonus Shares are expected to commence on Monday, 15 August 2016.

e. Overseas Shareholders

As at the Latest Practicable Date, there were no Shareholders whose addresses shown on the Register of Members were outside Hong Kong.

If the Register of Members indicates on the Bonus Issue Record Date that there are Overseas Shareholders and the Directors, after having made enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Bonus Issue to the Overseas Shareholders, consider the exclusion of any Overseas Shareholder from the Bonus Issue to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, those Overseas Shareholders will not receive any Bonus Shares. Instead, the Bonus Shares which those Overseas Shareholders would otherwise receive under the Bonus Issue will be sold in the market as soon as reasonably practicable after the commencement of dealings in the Bonus Shares on the Stock Exchange. Any proceeds arising from the sale of any Bonus Shares for each relevant Overseas Shareholder, after deduction of the related expenses, of HK\$100 or more will be paid in Hong Kong dollars to that Overseas Shareholder by ordinary post at his/her/its own risk. If the amount of the net proceeds arising from such sale is less than HK\$100, such net proceeds will be retained by and for the benefit of the Company.

f. Expected timetable

An expected time-table for the Bonus Issue of Shares is contained in Appendix III to this circular.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 18 to 23 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the Bonus Issue will be proposed to the Shareholders for approval at the AGM.

LETTER FROM THE BOARD

To the best of the Director's knowledge, information and belief, having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions set out in the AGM Notice will be put to vote by way of poll at the AGM pursuant to bye-law 66 of the Bye-laws. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy is enclosed with this circular for use in connection with the AGM. If you are unable to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Boardroom Share Registrar (HK) Limited of 31/F., 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for the holding of the AGM or its adjournment. Completion of a form of proxy will not preclude you from attending and voting in person at the AGM or its adjournment if you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the re-election of the Directors, the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the Bonus Issue to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the aforesaid resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility and confirm, having made all reasonable enquires, 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.

Your faithfully,
For and on behalf of the Board
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

The biographical details of the Directors proposed for re-election at the AGM are set out below:

Executive Director***Mr. SHI Feng (“Mr. SHI”)***

Mr. SHI Feng (石峰), aged 58, became the deputy chairman, the chief executive officer of the Company and an executive Director on 4 July 2011. He is also a member of the Remuneration Committee and a director of certain subsidiaries of the Company. Mr. SHI is responsible for the management of project plans, quality control, contractors, and the management of the Company’s subsidiaries. He joined Pan Hong Holdings in September 2002 and was an executive director of Pan Hong Holdings from January 2006 to June 2011.

He was certified as an engineer by the Ministry of Light Industry of the PRC (中國輕工業部) in 1987. Mr. SHI graduated with a bachelor’s degree in civil and industrial construction from the Hunan University in the PRC in December 1981.

Prior to joining Pan Hong Holdings, Mr. SHI was an assistant civil engineer at the construction technology department of Twenty Third Metallurgy Construction Company under the Ministry of Metallurgy (冶金工業部第二十三冶金建設公司(施工技術處)) from 1982 to 1983. He served as an engineer at the Changsha Design Institute of the Ministry of Light Industry (輕工業部長沙設計院) from 1983 to 1992, where he specialised in the structural design of buildings. Mr. SHI subsequently joined Huilong (Group) Ltd. of Huizhou City, Guangdong Province (廣東省惠州市惠隆集團有限公司) in the PRC from 1992 to 1999 as the deputy general manager, responsible for real estate development and technical construction management. Between 1999 and 2002, he was the general manager of 3A Electronics Co., Ltd. in Huzhou City, Zhejiang Province (浙江省湖州三愛電子有限公司), the PRC.

Mr. SHI is now a member of the Chinese People’s Political Consultative Conference of Donghu District of Nanchang City, Jiangxi Province, the PRC. He is also the standing director of the Second Nanchang Overseas Chinese Entrepreneurs Association.

Mr. SHI entered into a renewal service agreement with the Company for a period of three years commencing on 4 July 2014. Either party may terminate the employment by serving the other party a written notice of not less than six months. Mr. SHI’s total emolument for the Year was RMB512,000. He is presently entitled to a basic salary of HK\$800,000 per annum and a discretionary bonus as may be determined by the Board at its absolute discretion upon the Remuneration Committee’s recommendation. His remuneration has been determined by reference to the market terms, his seniority, experience, duties and responsibilities within the Group and the Company’s remuneration policy.

Non-executive Director***Ms. CHAN Heung Ling (“Ms. CHAN”)***

Ms. CHAN Heung Ling (陳响玲), aged 57, is one of the founders of the Group and became the chairlady of the Company and a non-executive Director on 4 July 2011. She is also a member of the Remuneration Committee. Ms. CHAN is mainly responsible for the formulation of the overall strategy of the Group. Ms. CHAN has engaged in property development since 1990s and has experience in this area for over 20 years. She participated in the property business of Pan Hong Holdings and was the deputy chairlady and an executive director of Pan Hong Holdings from January 2006 to June 2011. Ms. CHAN is the spouse of Mr. WONG Lam Ping (“**Mr. WONG**”), and is the mother of Mr. WONG Lui, one of the executive Directors. Ms. CHAN and Mr. WONG indirectly control Pan Hong Holdings, a controlling shareholder of the Company.

Ms. CHAN entered into a renewal service agreement for a term of three years with the Company commencing on 4 July 2014. Either party may terminate the employment by serving the other party a written notice of not less than six months. Ms. CHAN’s total emolument for the Year was RMB978,000. She is presently entitled a basic salary of HK\$864,000 per annum and a discretionary bonus as may be determined by the Board at its absolute discretion upon the Remuneration Committee’s recommendation. Her remuneration has been determined by reference to the market terms, her seniority, experience, duties and responsibilities within the Group and the Company’s remuneration policy.

As at the Latest Practicable Date, Ms. CHAN is deemed to be interested in 900,000,000 Shares held by Pan Hong Holdings within the meaning of Part XV of the SFO.

INED***Mr. LEE Man To (“Mr. LEE”)***

Mr. LEE Man To (李敏滔), aged 43, became an INED on 4 July 2011. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Lee is an executive director, the financial controller, qualified accountant and company secretary of Combest Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8190). Mr. Lee has over 18 years of experience in auditing, accounting and finance including acting as accountant, compliance officer and financial manager for various private companies.

He served in the group finance department of Rosedale Hotel Holdings Limited (formerly known as Wing On Travel (Holdings) Limited), a company listed on the main board of the Stock Exchange (Stock Code: 1189), from 2007 to 2008. Mr. LEE graduated from the Hong Kong Polytechnic University with a bachelor’s degree in accountancy in 1995. Mr. Lee is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. LEE entered into a renewal appointment letter with the Company on for a term of one year commencing on 4 July 2015 and thereafter shall continue year to year subject to retirement by rotation and/or re-election at the Company's annual general meeting in accordance with the Bye-laws. Either party may terminate the appointment by serving the other party a written notice of not less than one month. Mr. LEE's total emolument for the Year was RMB147,000. He is presently entitled to a director's fee of HK\$15,000 per month, subject to the Board's review from time to time at its discretion after taking into account the recommendation of the Remuneration Committee. His director's fee has been determined by reference to the market conditions, his seniority, experience, duties and responsibilities within the Company and the Company's remuneration policy.

Save as disclosed above, as at the Latest Practicable Date, none of the above retiring Directors proposed for re-election:

- i. held any other directorships in any listed public company in the past three years;
- ii. had any relationship with any Director, senior management, substantial or controlling shareholder of the Company; and
- iii. was interested in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO pursuant to Rule 13.51(2)(f) of the Listing Rules.

Further, there is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there other matter concerning the above Directors that needs to be brought to the attention of the Shareholders pursuant to Rule 13.51(2)(w) of the Listing Rules. In addition, there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

1. SHARE CAPITAL AND MAXIMUM NUMBER OF SHARES THAT MAY BE REPURCHASED

The maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number of Shares as represents 10% of the aggregate number of the Shares in issue on the date of the AGM. As at the Latest Practicable Date, there were in issue an aggregate of 1,232,000,000 Shares. Subject to the passing of the relevant resolution approving the Repurchase Mandate and on the basis that no Shares will be further issued or repurchased and cancelled prior to the AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 123,200,000 Shares. The Repurchase Mandate relates only to the repurchase of Shares which are fully paid up.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares listed on the Stock Exchange or any other stock exchange. Share repurchases 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 repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda and Hong Kong. Any repurchases by the Company may be made out of the capital paid up on the Shares to be repurchased, the funds of the Company which would otherwise be available for dividend or distribution or the proceeds out of any issue of new Shares made for the purpose of the repurchase and, in case of any premium payable on the repurchase out of the funds of the Company which would otherwise be available for dividend or distribution, from sums standing to the credit of the share premium account of the Company. Such repurchase may only be made if on the effective date of purchase, there is no reasonable grounds for believing that the Company is, and after the purchase will be, unable to pay its debts as they fall due.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position as at 31 March 2016, being the date of the latest published audited consolidated financial statements of the Company, in the event that the 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 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. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and all applicable laws of Bermuda.

6. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates of any of the Directors, have any present intention of selling Shares to the Company in the event that the grant to the Directors of the Repurchase Mandate is approved by the Shareholders.

No core connected persons have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

7. EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Pan Hong Holdings, being the controlling shareholder of the Company, held 900,000,000 Shares representing approximately 73.05% of the total number of the issued Shares. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, assuming that the present shareholdings and capital structure of the Company remain the same, the interests of Pan Hong Holdings in the issued Shares would be increased to approximately 81.17% of the total number of the issued Shares. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising power under the Repurchase Mandate.

Furthermore, the Directors have no intention to exercise the Repurchase Mandate to an extent as may result in the number of the Shares held by the public being reduced to less than 25% of the total number of the issued Shares.

8. SHARE PRICES

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

	Traded market price	
	Highest (HK\$)	Lowest (HK\$)
2015		
June	1.75	1.05
July	1.59	0.76
August	1.56	1.11
September	1.46	1.29
October	2.04	1.36
November	1.91	1.44
December	2.11	1.74
2016		
January	1.90	1.51
February	1.91	1.55
March	1.86	1.50
April	1.69	1.43
May	1.49	1.20
June (up to the Latest Practicable Date)	1.53	1.31

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

APPENDIX III EXPECTED TIMETABLE FOR THE BONUS ISSUE

Set out below is the expected timetable for the implementation of the Bonus Issue:

Event	2016
Latest time and date for lodging transfer documents with the share registrar to ascertain Shareholders' entitlement to attend and vote at the AGM	4:30 p.m. on Tuesday, 19 July
Closure of Register of Members for the AGM	Wednesday, 20 July to Tuesday, 26 July
Latest time and date for lodging forms of proxy for the AGM	10:00 a.m. on Sunday, 24 July
AGM	10:00 a.m. on Tuesday, 26 July
Announcement of poll results of the AGM	Tuesday, 26 July
Last day of dealings in the Shares on a cum-entitlements basis	Wednesday, 27 July
Commencement of dealings in the Shares on an ex-entitlements basis	9:00 a.m. on Thursday, 28 July
Latest time and date for lodging transfer documents with the share registrar to qualify for Shareholders' entitlement to the Bonus Shares	4:30 p.m. on Friday, 29 July
Closure of the Register of Members	Monday, 1 August to Thursday, 4 August
Bonus Issue Record Date	Thursday, 4 August
Allotment and issue of the Bonus Shares	Thursday, 11 August
Despatch of certificates for the Bonus Shares	Friday, 12 August
Commencement of dealings in the Bonus Shares	9:00 a.m. on Monday, 15 August

Notes:

- (a) Dates or deadlines specified in the above expected timetable and other parts of this circular may be changed by the Company and in the event of any consequential changes, the Company will make a further announcement.
- (b) All references to times and dates in this circular refer to Hong Kong local times and dates.

NOTICE OF ANNUAL GENERAL MEETING



SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Sino Harbour Holdings Group Limited (the “Company”) will be held at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong on Tuesday, 26 July 2016 at 10:00 a.m. (or its adjournment) to consider and, if thought fit, transact the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and the Company’s independent auditors for the year ended 31 March 2016.
2. A. To re-elect Mr. SHI Feng as an executive Director.
B. To re-elect Ms. CHAN Heung Ling as a non-executive Director.
C. To re-elect Mr. LEE Man To as an independent non-executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint BDO Limited as the Company’s independent auditor of the Company for the ensuing year and to authorise the Board to fix its remuneration.

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

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (A) subject to paragraph (C) of this Resolution below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (D) below) of all the powers of the Company to allot, issue and deal with the

NOTICE OF ANNUAL GENERAL MEETING

additional shares in the share capital of the Company (the “**Shares**”) or securities convertible into or exchangeable for Shares, or options or warrants, for similar rights to subscribe for any Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (B) the approval in paragraph (A) of this Resolution above shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (D) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (D) below);
- (C) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (A) of this Resolution above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (D) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into or exchangeable for Shares shall not exceed the aggregate of:
 - (I) 20 per cent. of the total number of the Shares in issue as at the date of the passing of this resolution; and
 - (II) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of any Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate number of the Shares in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly; and
- (D) for the purpose of this Resolution:

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

- (I) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (II) the expiration of the period within which the next annual general meeting of the Company is required to be held by the bye-laws of the Company or the applicable law(s) of Bermuda; and
- (III) the date on which the authority set out in this Resolution is revoked and varied by way of an ordinary resolution by the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other similar instruments giving the rights to subscribe for Shares open for a period fixed by the Directors to holders of the Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company or any recognised regulatory body or any stock exchange applicable to the Company).”

6. **“THAT:**

- A. subject to paragraph (B) of this Resolution below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (C) below) of all powers of the Company to repurchase its shares (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, subject to and otherwise in accordance with the rules and regulations of the SFC and the Stock Exchange as amended from time to time, the bye-laws of the Company (the “**Bye-laws**”) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved and authorised;
- B. the aggregate number of the Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (A) of this Resolution above during the Relevant Period (as defined in paragraph (C) below) shall not exceed 10 per cent. of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and
- C. for the purposes of this Resolution, “**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (I) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (II) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws or the applicable law of Bermuda; or
 - (III) the date on which the authority set out in this Resolution is revoked and varied by way of an ordinary resolution by the shareholders of the Company in general meeting.”
7. “**THAT** conditional on the passing of Resolutions numbered 5 and 6 set out in the notice convening this annual general meeting (the “**Notice**”), the general mandate granted to the Directors pursuant to Resolution numbered 5 above be and is hereby extended by the addition thereto of an amount representing the aggregate number of the shares of the Company (the “**Shares**”) purchased by the Company pursuant to or in accordance with the authority granted under Resolution numbered 6 set out in the Notice, provided that such amount shall not exceed 10 per cent. of the aggregate number of the issued Shares at the date of the passing of this Resolution.”
8. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**

- (A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the new ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) to be issued pursuant to this Resolution (the “**Bonus Shares**”), and 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 the Directors be and are hereby authorised to apply such sum in paying up in full at par such number of the Bonus Shares and that such Bonus Shares shall be allotted, issued and distributed, credited as fully paid-up at par value on a pro rata basis to and among the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company at the close of business on Thursday, 4 August 2016 (the “**Record Date**”) on the basis of one Bonus Share for every one Share held by such Shareholders as at the close of business on the Record Date;
- (B) the Bonus Shares to be allotted and issued pursuant to this Resolution shall rank pari passu in all respects with the existing issued Shares as at the close of business on the Record Date;
- (C) the Directors be and are hereby authorized 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 are not limited to, determining the amount to

NOTICE OF ANNUAL GENERAL MEETING

be capitalized 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
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 24 June 2016

Registered Office:
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Principal Place of Business in Hong Kong:
Room 1215, Tower B,
Hungohm Commercial Centre,
37-39 Ma Tau Wai Road,
Hungohm, Kowloon,
Hong Kong

As at the date of this Notice, the Directors are:

Executive Directors:

Mr. SHI Feng (*Deputy Chairman*)
Mr. WONG Lui
Ms. GAO Lan

Non-executive Director:

Ms. CHAN Heung Ling (*Chairlady*)

Independent Non-executive Directors:

Mr. XIE Gang
Mr. LEE Man To
Ms. ZHANG Juan

Notes:

1. The register of members of the Company (the “**Register of Members**”) will be closed from Wednesday, 20 July 2016 to Tuesday, 26 July 2016, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible for attending and voting at the AGM to be held on Tuesday, 26 July 2016, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 19 July 2016.
2. Conditional on the passing of the Resolution No.8 by the Shareholders at the AGM, the Register of Members will be closed from Monday, 1 August 2016 to Thursday, 4 August 2016, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 July 2016.

NOTICE OF ANNUAL GENERAL MEETING

3. A member of the Company (the “Member”) entitled to attend and vote at the AGM convened by the Notice is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more Shares may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Member. 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.
4. A form of proxy for use in connection with the AGM is enclosed. If you are unable to attend the AGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or its adjournment, should he so wish and in such event, the proxy shall be deemed to be revoked.
5. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong not later than 48 hours before the time of the AGM or its adjournment.
6. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto, but if more than one such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such Shares shall alone be entitled to vote in respect thereof.
7. In relation to the proposed Resolutions no. 5 and 7 above, the Directors have no immediate plans to issue any new Shares.
8. In relation to the proposed Resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular accompanying the Notice.
9. In compliance with Rule 13.39(4) of the Listing Rules, voting on all the proposed resolutions set out in the Notice will be decided by way of a poll.
10.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and Members will be informed of the date, time and venue of the postponed AGM by a supplemental notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.
 - (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled three hours before the time fixed for the AGM and where conditions permit, the AGM will be held as scheduled.
 - (c) The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
11. The translation into Chinese language of the Notice is for reference only. In case of any inconsistency, the English version shall prevail.