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

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

**If you have sold or transferred** all your shares in **SMI 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, licensed securities dealer other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**星美控股**  
**SMI HOLDINGS GROUP LIMITED**  
**星美控股集團有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 198)**

**(1) PROPOSED GRANTING OF  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
(2) PROPOSED RE-ELECTION OF DIRECTORS,  
(3) FINAL DIVIDEND,  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of SMI Holdings Group Limited to be held at 19/F, 3030 Fuqiang Road, Shenzhen, China Hong Kong on Friday, 2 June 2017 at 2:00 p.m. is set out on page 20 to 24 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

28 April 2017

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at 19/F, 3030 Fuqiang Road, Shenzhen, China on Friday, 2 June 2017 at 2:00 p.m.
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	SMI Holdings Group Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the main board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Grantee(s)”	any participant accepts an Offer in accordance with the terms of the Share Option Scheme, or the legal personal representative(s) entitled to any Option in consequence of the death of the original Grantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution in relation thereof

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## DEFINITIONS

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“Latest Practicable Date”	24 April 2017, 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;
“Offer”	the offer of the grant of an Option
“Option(s)”	right(s) to subscribe for Share pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China, which for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Code”	the Hong Kong Code on Share Repurchases
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding issued and fully paid up shares in the share capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option Scheme”	the Share Option Scheme of the Company adopted on 30 September 2009
“Share Option Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.
“2017 CB1”	the 5% per annum coupon rate convertible bond due in 2017 in aggregate principal amount of HK\$10,250,000 conferring the rights to convert 10,250,000 Shares at the prevailing conversion price of HK\$1.00 per Share (subject to adjustment)
“2017 CB2”	the 4% per annum coupon rate convertible bond due in 2017 (extendable to 2018) in aggregate principal amount of HK\$275,000,000 conferring the rights to convert 357,142,857 Shares at the prevailing conversion price of HK\$0.77 per Share (subject to adjustment)
“2017 CB3”	the 4% per annum coupon rate convertible bond due in 2017 (extendable to 2018) in aggregate principal amount of HK\$224,000,000 conferring the rights to convert 290,909,089 Shares at the prevailing conversion price of HK\$0.77 per Share (subject to adjustment)
“2017 CB4”	the 4% per annum coupon rate convertible bond due in 2017 (extendable to 2018) in aggregate principal amount of HK\$300,000,000 conferring the rights to convert 389,610,389 Shares at the prevailing conversion price of HK\$0.77 per Share (subject to adjustment)

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## LETTER FROM THE BOARD

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**星美控股**  
**SMI HOLDINGS GROUP LIMITED**  
**星美控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 198)**

*Executive Directors:*

Mr. CHENG Chi Chung  
Mr. YANG Rongbing  
Mr. KONG Dalu

*Non-Executive Directors:*

Dr. YAP Allan  
Mr. HUNG Ka Hai Clement

*Independent Non-Executive Directors:*

Mr. PANG Hong  
Mr. LI Fusheng  
Mr. WONG Shui Yeung

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of*

*business in Hong Kong:*  
Room 6701-02 & 13  
The Center  
99 Queen's Road Central  
Central  
Hong Kong

28 April 2017

*To the Shareholders*

Dear Sir and Madam,

**(1) PROPOSED GRANTING OF  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
(2) PROPOSED RE-ELECTION OF DIRECTORS,  
(3) FINAL DIVIDEND,  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with notice of the Annual General Meeting, and the information regarding the resolutions to be proposed at the Annual General Meeting relating to (i) the grant to Directors of the Issue Mandate and the Repurchase Mandate and to extend the Issue Mandate by an amount representing the aggregate nominal amount of any Shares repurchased by the Company; and (ii) the re-election of retiring Directors; (iii) the approval of the payment of Final Dividend.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the Annual General Meeting, the ordinary resolution no.5 as set out in the notice of Annual General Meeting will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares in the share capital of the Company which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

The ordinary resolution no.6 as set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution. As at the Latest Practicable Date, a total of 13,611,209,583 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate and on the basis that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed to issue a maximum of 2,722,241,916 Shares under the Issue Mandate. Subject to the passing of the ordinary resolution granting the Issue Mandate and on the assumption that (i) the full conversion of the exercise rights attached to each of 2017 CB1, 2017 CB2, 2017 CB3, 2017 CB4, for a total of 1,047,912,335 Shares; and (ii) that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of passing of the resolution granting the Issue Mandate will be 14,659,121,918 and therefore, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 2,931,824,383 Shares, being 20% of the entire issued share capital of the Company at the time of passing the resolutions.

Subject to the passing of the ordinary resolutions in respect of the Repurchase Mandate and the Issue Mandate, the ordinary resolution no.6 will also be proposed, as an extension of the Issue Mandate, to authorise the Directors to issue new Shares in the share capital of the Company in an amount not exceeding the aggregate nominal amount of the Shares in the capital of the Company repurchased pursuant to the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate will end on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws, or (iii) the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate, which is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Bye-laws 87(1) and 87(2), at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Accordingly, all directors will retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Pursuant to Bye-law 86(2) of the Bye-laws, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. HUNG Ka Hai Clement, Mr. KONG Dalu and Mr. WONG Shui Yeung, will retire from office at the Annual General Meeting and, being eligible, offer himself for re-election.

Meanwhile, in accordance to the Code Provision A.4.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules which states that if an independent non-executive Director (“**INED**”) of the Company serves more than nine years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. Mr. PANG Hong (“**Mr. PANG**”) has been appointed as an INED since 28 September 2004 and his appointment is subject to a separate resolution by the Shareholders at the forthcoming Annual General Meeting. The Board considers that Mr. PANG meets the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation. Even though Mr. PANG has served as an INED for more than nine years, the Board is of the view that his duration of service will not interfere with his exercise of independent judgment in carrying out the duties and responsibilities as an INED. The Board considers him to be independent and believes he will continue to contribute to the Board because of his familiarity and experience with the Company’s businesses and affairs. Accordingly, Mr. PANG will retire from office and be eligible to offer himself for re-election at the Annual General Meeting.

Details of the Directors pursuant to Rule 13.51(2) of the Listing Rules, who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### FINAL DIVIDEND

As announced by the Company in its results announcement dated 31 March 2017, the Board has recommended the payment of a final dividend of HK1.32 cents (2015: HK1.09 cents) per Share for the year ended 31 December 2016 to Shareholders whose names appear on the register of members of the Company on Thursday, 8 June 2017, subject to Shareholders’ approval at the Annual General Meeting. The proposed final dividend, if approved, is to be payable on or before Friday, 7 July 2017.



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## LETTER FROM THE BOARD

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In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates have to be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 7 June 2017.

The register of members of the Company will be closed on Thursday, 8 June 2017 in order to determine the Shareholders' entitlements to the final dividend, during which no transfer of Shares will be registered.

Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. 4:30 p.m. on 8 June 2017 will be entitled to the final dividend.

### RECORD DATE AND BOOK CLOSURE

*Hong Kong Time  
2017*

#### *For determining Shareholder's right to attend and vote at AGM*

Record Date	26 May
Latest time to lodge transfer documents with Share Registrar ( <i>Note i</i> )	4:30 p.m., 26 May
Book Closure Date	29 May to 2 June
AGM	2:00 p.m., 2 June
Poll results of AGM	2 June

#### *For determining Shareholder's entitlement to the proposed final dividend*

Latest time to lodge transfer documents with Share Registrar ( <i>Note i</i> )	4:30 p.m., 7 June
Book Closure Date ( <i>Note ii</i> )	8 June
Record Date	8 June
Expected despatch date of dividend warrants	7 July

#### *Notes:*

- i. The Company's Hong Kong branch share registrar is Tricor Progressive Limited, whose address is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- ii. No transfer of Shares will be registered during book closure date.

### ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the proposed re-election of Directors and the final dividend.

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## LETTER FROM THE BOARD

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A form of proxy for the Annual General Meeting is enclosed. Whether or not you propose to attend the meeting or any adjournment thereof, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event, no later than 48 hours before the time appointed for holding the Annual General Meeting. The completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish.

### RESPONSIBILITY STATEMENT

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

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, which any vote of the Shareholders at a general meeting of the Company must be taken by way of poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and Bye-law 66 of the Bye-laws of the Company, any votes of the Shareholders at a general meeting must be taken by poll. The Company will appoint scrutineers to handle vote-taking procedures at the Annual General Meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible in accordance with Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors are of the opinion that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the proposed re-election of Directors and the final dividend are in the best interests of the Company and its Shareholders as a whole and recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board of  
**SMI Holdings Group Limited**  
**CHENG Chi Chung**  
*Executive Director and Chairman*

*This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting in relation to the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully-paid share capital of the Company was 13,611,209,583 Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the assumption that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed to repurchase a maximum of 1,361,120,958 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date. Further, subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the assumption that (i) the full conversion of the exercise rights attached to each of 2017 CB1, 2017 CB2, 2017 CB3, 2017 CB4, for a total of 1,047,912,335 Shares, and (ii) that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of passing of the resolution granting the Repurchase Mandate will be 14,659,121,918 and therefore, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,465,912,191 Shares, being 10% of the entire issued share capital of the Company at the time of passing the resolutions.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors would only make such repurchases in circumstances where they consider them to be in the best interests of the Company and its Shareholders as a whole.

### **3. FUNDING OF REPURCHASES**

In repurchasing its Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws and the applicable laws of Bermuda.

Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchased shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

Based on the position disclosed in the Company's most recent published audited accounts for the year ended 31 December 2016 and taking into account the current working capital position of the Company, the Directors consider that there might be a material adverse effect on the working capital and gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full in the period before the Repurchase Mandate expires. The Directors however do not propose to exercise the Repurchase Mandate to such extent as it would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

#### 4. PRICES OF SHARES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous 12 months immediately preceding the Latest Practicable Date are as follows:

	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2016</b>		
April	0.82	0.72
May	0.75	0.63
June	0.73	0.63
July	0.77	0.69
August	0.72	0.63
September	0.79	0.66
October	0.78	0.72
November	0.77	0.69
December	0.76	0.67
<b>2017</b>		
January	0.74	0.67
February	0.76	0.70
March	0.78	0.67
April (up to Latest Practicable Date)	0.74	0.65

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

None of the Directors nor to the best of their knowledge having made all reasonable enquiries, their close associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

**6. HONG KONG CODES ON TAKEOVERS AND MERGERS**

Upon the exercise of the power by the Directors to repurchase the securities pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of the voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (with the meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and, may become obliged to make a general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. QIN Hui was interested in 8,302,685,184 Shares (i) comprising 6,429,143 Shares held by Strategic Media International Limited ("SMIL"), a company beneficially owned by Mr. QIN Hui, and 8,296,256,041 Shares held by Mr. QIN Hui personally and (ii) representing approximately 61.00% of the total issued share capital of the Company; and approximately 51.49% of the issued share capital of the Company in the event that as enlarged by the completion of the full conversion of the exercise rights attached to each of 2017 CB1, 2017 CB2, 2017 CB3, 2017 CB4, for a total of 1,047,912,355 Shares.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, and assuming there is no change to share capital of the Company and the shareholding held by SMIL and Mr. QIN Hui in the Company between the Latest Practicable Date and the date of such exercise, the shareholding of Mr. QIN Hui in the Company would increase to approximately 68.36% of the total issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate and assuming that (i) the full conversion of the exercise rights attached to each of 2017 CB1, 2017 CB2, 2017 CB3, 2017 CB4, for a total of 1,047,912,335 Shares; and (ii) the shareholding of Mr. QIN Hui and SMIL remained unchanged prior to the date of such exercise of repurchase, the shareholding of Mr. QIN Hui in the Company would be approximately 62.96%. Such changes would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code in relation to SMIL and Mr. QIN Hui as they together already held more than 50% of the total issued share capital of the Company.

The Directors have no intention to exercise the Repurchase Mandate to such extent that as would result in the total number of the issued share capital of the Company held by the public being reduced to less than 25% as required under Rule 8.08 of the Listing Rules (or the relevant prescribed minimum percentage required by the Stock Exchange).

#### **7. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*In accordance with the Bye-laws, All Directors will offer themselves for re-election at the Annual General Meeting. Information on the individuals are set out as follows:*

**Mr. CHENG Chi Chung**, aged 50, was appointed as an executive Director on 22 November 2011 and the CEO of the Company on 7 June 2012. He holds an EMBA degree from Tsinghua University of Beijing and a bachelor degree from Taiwan University, and obtained Special Awards and honor of the 44th National Culture and Arts in China. He served as the chief executive officer of Beijing Gome Online Co., Ltd. (北京國美在線有限公司), the director of Eastern Broadcasting Co., Ltd. (東森集團), the general manager of Eastern Broadcasting and Eastern Shopping (America) (東森電視及東森購物(美洲)), the general manager of Eastern Public Relations Company (東森公關公司) and the director of Eastern Broadcasting News Channel (東森電視新聞台). Mr. Cheng has extensive management experience in culture, media and retail areas.

Save as disclosed above, Mr. Cheng has not at any time during the three years preceding the date of this announcement served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Mr. Cheng has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Cheng confirms that he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Cheng is not appointed for a specific term and he is subject to retirement by rotation and re-election in accordance with the Company's bye-laws. Mr. Cheng will be entitled to receive a director's remuneration of HK\$3,000,000 per annum and Director's Fee of 240,000 per annum to act as an executive Director with reference to his duties and responsibilities, qualifications, experience, the prevailing market conditions and the Company's remuneration policy.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. CHENG as an executive Director.

**Mr. YANG Rongbing**, aged 37, was appointed as an executive Director on 3 May 2013. He holds a MBA from Central University of Finance and Economics. Mr. YANG joined the Group in 2010 and is an executive Director and the vice president of the Company. Mr. YANG is mainly responsible for corporate strategy whilst oversees a list of key operational departments including finance, investment, human resources and legal. Mr. YANG has extensive experience in investment and finance, and familiar with relevant areas with regard to the media industry, including financial markets and tax planning. Mr. YANG is also an expert in adopting a wide range of innovative financial vehicles to support rapid growth and continuously improving capital structure. Mr. YANG has acquired deep experiences in financial management, capital planning, internal control, investment and financing and capital financial strategy from serving various financial and investment roles in state-owned enterprises and institutions such as Beijing Golden Tide Group Co., Ltd., Foreign Economic Cooperation Office under Ministry of Environmental Protection, Center for Development of Trade and Control of Investment in Europe, etc.

Currently, Mr. Yang is an independent non-executive director of China Leon Inspection Holding Limited (Stock code: 1586), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Save as disclosed herein, Mr. Yang has not at any time during the three years preceding the date of this announcement served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Mr. YANG does not have any relationship with any other Directors, senior management, or substantial or controlling Shareholders of the Company. He was a director of a number of subsidiaries of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. YANG holds 8,425,332 Shares, representing 0.06% of the issued share capital of the Company. Save as disclosed, Mr. YANG did not have any other interest in the Shares within the meaning of Part XV of the SFO.

Pursuant to Mr. YANG’s service agreement without fixed term of service with the Company, his appointment is subject to normal retirement and re-election by the Shareholders at the annual general meeting of the Company at least once every three years in accordance with the Byelaws. Pursuant to the said service agreement, Mr. YANG is entitled to a director’s remuneration of HK\$3,000,000 per annum and Director’s Fee of 240,000 per annum to act as an executive Director, which is determined with reference to his duties and responsibilities in the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. YANG as an executive Director.



**Mr. KONG Dalu**, aged 44, has approximately 20 years' working experience and extensive knowledge in the field of banking, corporate finance and investment in Hong Kong and Mainland China. Mr. Kong obtained a bachelor's degree in Economics (major in International Finance) at Wuhan University in the PRC in 1994.

Mr. Kong was a foreign exchange manager and foreign exchange trader in the international business department in the headquarters of Hua Xia Bank Co., Limited from 1994 to 1997. From 1997 to 2007, Mr. Kong also served at senior management level respectively at China Minsheng Bank Corp., Ltd. and Bank of Communications Co., Ltd. Since 2007, Mr. Kong has acted as a director of Xince (Hong Kong) Investment Development Co. Limited, being an equity investment company incorporated in Hong Kong. During the period from 2008 to 2011, Mr. Kong also acted as a director of Haitong Securities Company Limited (Shanghai Stock Code: 600837), being a company listed on the Shanghai Stock Exchange. Currently, Mr. Kong is an executive director of SMI Culture & Travel Group Holdings Limited (Stock code: 2366), the shares of which are listed on the Main Board of the Stock Exchange.

Save as disclosed herein, Mr. Kong has not at any time during the three years preceding the date of this announcement served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Mr. Kong has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Kong is not appointed for a specific term and he is subject to retirement by rotation and re-election in accordance with the Company's bye-laws. Mr. Kong will be entitled to receive a Director's fee of HK\$240,000 per annum with reference to his duties and responsibilities, qualifications, experience, the prevailing market conditions and the Company's remuneration policy.

As at the Latest Practicable Date, Mr. Kong confirms that he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Kong as an executive Director.

**Mr. HUNG Ka Hai Clement**, aged 61, was appointed as an independent non-executive director on 16 January 2017 and redesignated as a non-executive director on 14 March 2017. He retired from the Chairman role of Deloitte China in June 2016. He also represented Deloitte China in the Deloitte Global Board and Governance Committee as a member during at that time.

Mr. Hung has served Deloitte China firm for 35 years. He has extensive experience in the areas of initial public offerings, mergers and strategic acquisitions and corporate finance, and advising multinational corporations, public companies and enterprises in Hong Kong and the People's Republic of China and is an expert in listings in Main Board and Growth Enterprise Market of The Stock Exchange. Recently the Ministry of Finance of People's Republic of China appointed him as an expert Consultant under his extensive experience as a Hong Kong accounting professionals.

Mr. Hung had also assumed various leadership roles in Deloitte before he took up the appointment as Chairman. He was the Audit group leader and the Office Managing Partner of Deloitte Shenzhen Office and Guangzhou Office. He was also a member of the China Management Team. Later on Mr. Hung assumed the role of the Southern Audit Leader and the Deputy Managing Partner of the Southern Region.

Mr. Hung has become an honorary member of the Shenzhen Institute of Certified Public Accountants in 2004. He has served as the Guangzhou Institute of Chartered Accountants consultant from 2009. During 2006 to 2012 he also served as member of the Political Consultative Committee of Luohu District, Shenzhen.

Mr. Hung will enter into a three year's service agreement with the Company subject to retirement from office and re-election at the forthcoming annual general meeting of the Company and subsequently subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company in accordance with the Bye-Laws of the Company. Subject to the Bye-Laws of the Company, the appointment will be terminated by either party by serving not less than one month's written notice.

Mr. Hung is an independent non-executive director of Sino Credit Holdings Limited (Stock Code: 0628) and a non-executive director of LT Commercial Real Estate Limited (Stock Code: 0112) ("**LT Commercial**"), the shares of both companies are listed on the Main Board of the Stock Exchange. Mr. Hung was appointed as an independent non-executive director of LT Commercial on 24 February 2017 and was re-designated as a non-executive director thereof on 3 March 2017. Save as disclosed above, Mr. Hung has not at any time during the three years preceding the Latest Practicable Date served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas. Mr. Hung does not hold other positions with the Company or any other member of the Group.

Mr. Hung has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Hung confirms that he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Hung as a non-executive Director.

**Dr. YAP Allan** is the chairman and executive director of Master Glory Group Limited (stock Code: 275), the chairman and executive director of Rosedale Hotel Holdings Limited (Stock code: 1189), whose shares are listed in the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Dr. Yap is also the chairman and chief executive officer of China Enterprises Limited, a company whose shares are traded on the OTC Securities Market in the United States of America, as well as the chairman and chief executive officer of Burcon NutraScience Corporation, a company whose shares are listed on the Toronto Stock Exchange in Canada, the Frankfurt Stock Exchange in Germany and NASDAQ Stock Exchange in the United States of America. He also is the executive chairman of Hanwell Holdings Limited and Tat Seng Packaging Group Ltd., whose shares are listed on the Singapore Exchange Limited., Dr. Yap was an alternate director of Television Broadcasts Limited (Stock code: 511) from 10 June 2011 to 29 December 2015, and was a director of Shaw Brothers Holdings Limited (Stock code: 953) from 11 June 2015 to 25 October 2016, whose shares are listed on the main board of the Stock Exchange.

Dr. Yap has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Yap confirms that he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed herein, Dr. Yap has not at any time during the three years preceding the Latest Practicable Date served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Dr. Yap as a non-executive director.

**Mr. PANG Hong**, aged 61, was appointed as an independent non-executive Director on 28 September 2004. Mr. PANG had worked for various enterprises and government departments in China for over 20 years. He has substantial knowledge of the investment environment in China and has extensive experience in the management of Chinese companies. After studying in the United States for 3 years, he came to Hong Kong to further his career development. He is currently engaged in providing private management consultancy services. Mr. PANG is the independent non-executive directors of Meike International Holdings Limited (Stock Code: 953) and Sino Haijing Holdings Limited (Stock Code: 1106), whose shares are listed on the Main board of the Stock Exchange.

Save as disclosed above, Mr. PANG did not hold any other major appointments and has not held any position or directorship in any other listed public companies during the last three years preceding the Latest Practicable Date.

Mr. PANG does not have any relationship with any other Directors, senior management, or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. PANG did not have any other interest in the Shares within the meaning of Part XV of SFO.

Mr. PANG has entered into a three year's service agreement with the Company. His appointment is subject to normal retirement and re-election by the Shareholders at the annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said service agreement, Mr. PANG is entitled to a director's remuneration of HK\$132,000 per annum to act as an independent non-executive Director, which is determined with reference to his duties and responsibilities in the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. PANG as an independent non-executive Director.

**Mr. LI Fusheng**, aged 54, was appointed as an independent non-executive Director on 10 October 2013. Mr. Li FS is the manager of Beijing Office of Hong Kong Ta Kung Pao. Since joining Ta Kung Pao in 1994, Mr. Li FS has reported many breaking news and important events. He has reported many significant events in the PRC, such as reporting the news about the National People's Congress and Chinese People's Political Consultative Conference for 20 consecutive years, and the Beijing Olympic Games. Mr. Li FS has extensive experience and network in the media industry.

Save as disclosed above, Mr. Li FS did not hold any other major appointments and has not held any position or directorship in any other listed public companies in the last three years preceding the Latest Practicable Date.

Mr. Li FS does not have any relationship with any other Directors, senior management, or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Li FS did not have any other interest in the Shares within the meaning of Part XV of SFO.

Mr. Li FS has entered into a three year's service agreement with the Company. His appointment is subject to normal retirement and re-election by the Shareholders at the annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Pursuant to the said service agreement, Mr. Li FS is entitled to a director's remuneration of HK\$132,000 per annum to act as an independent non-executive Director, which is determined with reference to his duties and responsibilities in the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Li FS as an independent non-executive Director.

**Mr. Wong Shui Yeung**, aged 46 was appointed as an independent non-executive director on 13 April 2017. He is currently the financial controller and company secretary of LT Commercial Real Estate Limited (Stock code: 112), the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). He is a practising member and fellow of Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Securities and Investment Institute, and holds a bachelor degree in business administration majoring in accounting from the Hong Kong Baptist University. From 2001 to 2016, Mr. Wong was the chief financial officer of ZH International Holdings Limited (Stock code: 185), the shares of which are listed on the Main Board of the Stock Exchange. Between 2009 and 2013, Mr. Wong was also the chief financial officer of SingHaiyi Group Limited (Stock code: 5H0), the shares of which are listed on the Catalist of the Singapore Exchange Securities Trading Limited.

Save as disclosed herein, Mr. Wong has not at any time during the three years preceding the date of this announcement served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Mr. Wong has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong confirms that he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Wong is not appointed for a specific term and he is subject to retirement by rotation and re-election in accordance with the Company’s bye-laws. Mr. Wong will be entitled to receive a director’s fee to be determined by the Board and the remuneration committee of the Company with reference to his duties and responsibilities, qualifications, experience, the prevailing market conditions and the Company’s remuneration policy.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Wong as an independent non-executive director.



**星美控股**  
**SMI HOLDINGS GROUP LIMITED**  
**星美控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 198)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of SMI Holdings Group Limited (the “**Company**”) will be held at 19/F, 3030 Fuqiang Road, Shenzhen, China on Friday, 2 June 2017 at 2:00 p.m. for the following purposes:

**Ordinary Business**

1. To receive and consider the audited financial statements and the reports of the directors of the Company and the independent auditors’ report of the Company and its subsidiaries for the year ended 31 December 2016.
2. To re-elect the following retiring directors of the Company and to authorise the board of directors of the Company to fix the directors’ remuneration:–
  - (i) to re-elect Mr. YANG Rongbing as an executive director of the Company;
  - (ii) to re-elect Mr. CHENG Chi Cheng as an executive director of the Company;
  - (iii) to re-elect Mr. KONG Dalu as an executive director of the Company;
  - (iv) to re-elect Dr. YAP Allan as a non-executive director of the Company;
  - (v) to re-elect Mr. HUNG Ka Hai Clement as a non-executive director of the Company.
  - (vi) to re-elect Mr. PANG Hong as an independent non-executive director of the Company; and

- (vii) to re-elect Mr. LI Fusheng as an independent non-executive director of the Company
  - (viii) to re-elect Mr. WONG Shui Yeung as an independent non-executive director of the Company.
  - (ix) to authorise the board of directors of the Company to fix the directors' remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors to fix the auditor's remuneration; and
  4. To declare a final dividend for the year ended 31 December 2016.

### Special Business

To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

5. **“THAT:**
  - (a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares (each **“Share”**) in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose 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 the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or rules 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 the Shares which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of 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;

- (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 law to be held; and
- (iii) the revocation or variation of the approval given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting of the Company.”

6. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors 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 bonds, warrants and debentures convertible into Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares), which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, 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 warrants issued by the Company or any securities which are convertible into Shares, or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors and/ or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval given under this resolution in paragraph (a) above shall be limited accordingly; and



(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the approval given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting of the Company.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or any class thereof (subject to such exclusions 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

7. “**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice convening the meeting of which these resolutions form part, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with the Shares pursuant to resolution no.6 as set out in the notice convening the meeting of which this resolution forms part be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no.5 as set out in the notice convening the meeting of which this resolution forms part, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”

By Order of the Board  
**SMI Holdings Group Limited**  
**CHENG Chi Chung**  
*Executive Director and Chairman*

Hong Kong, 28 April 2017

*Notes:*

- (a) Any member entitled to attend and vote at this meeting shall be entitled to appoint a proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at this meeting. A proxy need not be a member of the Company.
- (b) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited at the office of the Company's branch share registrar, Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be).
- (c) In relation to proposed resolution 2 of this notice, the biographical details of all the Directors to be re-elected at the Annual General Meeting are set out in Appendix II of the circular to shareholders dated 30 April 2016.
- (d) The register of members of the Company will be closed from 31 May to 2 June 2017, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the members' entitlement to attend the forthcoming annual general meeting of the Company, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Progressive Limited at the address set out at (b) above no later than 4:30 p.m. on Monday, 29 May 2017.
- (e) As at the date hereof, the Company has seven Directors. The executive directors are Mr. CHENG Chi Chung, Mr. YANG Rongbing and Dr. KONG Dalu. The non-executive directors are Dr. YAP Allan and Mr. HUNG Ka Hai Clement and the independent non-executive directors are Mr. PANG Hong, Mr. LI Fusheng and Mr. WONG Shui Yeung.
- (f) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- (g) Any voting at the Annual General Meeting shall be taken by poll.