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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your Shares in Jiangchen International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**江晨國際控股有限公司**  
**Jiangchen International Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(stock code: 08305)**

**DISCLOSEABLE AND CONNECTED TRANSACTION**  
**ACQUISITION OF 30% SHAREHOLDING INTEREST**  
**IN HONGFENG TEXTILE**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**Mitsubishi UFJ Securities**

Mitsubishi UFJ Securities (HK) Capital, Limited

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A letter from the independent committee (the “Independent Board Committee”) of the board of directors of the Company is set out on page 10 of this circular. A letter from Mitsubishi UFJ Securities (HK) Capital, Limited, the independent financial adviser of the Company, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 20 of this circular.

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 12th Floor, Humei Hotel, Citong North Road, Quanzhou, Fujian, China at 3 p.m. on Thursday, 28 January 2010 is set out on pages 25 to 26 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its publication and on the website of the Company at <http://www.jcholding.hk>.*

13 January 2010

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“Acquisition”	the acquisition of the remaining 30% equity interest in Hongfeng Textile by the Purchaser from the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement II
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	a day other than a Saturday and Sunday and public holidays in the PRC and Hong Kong
“Company”	Jiangchen International Holdings Limited, a company incorporated in Cayman Islands with limited liability whose Shares are listed and traded on GEM of the Stock Exchange (Stock Code: 08305)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at 3 p.m. on Thursday, 28 January 2010 to consider and, if thought fit, approve, the Acquisition and the Equity Transfer Agreement II
“Equity Transfer Agreement I”	the sale and purchase agreement dated 2 December 2009 entered into between the Vendor and the Purchaser for the acquisition of 70% equity interest in Hongfeng Textile
“Equity Transfer Agreement II”	the sale and purchase agreement dated 23 December 2009 entered into between the Vendor and the Purchaser for the Acquisition
“GEM”	the Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hongfeng Textile”	江西泓峰紡織有限公司 (Jiangxi Hongfeng Textile Company Limited*), a wholly foreign-owned enterprise established under the laws of PRC with limited liability
“Hong Feng International” or “Vendor”	泓峰國際控股有限公司 (Hong Feng International Holdings Limited), a company incorporated in the British Virgin Islands with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors and formed to consider the terms of the Equity Transfer Agreement II and to advise the Independent Shareholders in respect of the Acquisition
“Independent Financial Adviser”	Mitsubishi UFJ Securities (HK) Capital, Limited, the independent financial adviser appointed to make the relevant recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, being a registered institution to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
“Independent Shareholder(s)”	for the purpose of approving the resolution with respect to the Equity Transfer Agreement II, the Shareholder(s) other than Mr. Cai Shuiyong, Cai Shuiping and any of its associates who are legally and/or beneficially interested in the Shares
“Latest Practicable Date”	11 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular only, does not include the Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“Sino Prosper” or the “Purchaser”	華盛(亞洲)有限公司 (Sino Prosper (Asia) Limited), a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*Unless otherwise stated, for illustration purpose, the exchange rate used in this circular is RMB1.00 to HK\$1.13.*

*\* For identification purposes only*

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## LETTER FROM THE BOARD

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江晨國際控股有限公司  
**Jiangchen International Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(stock code: 08305)**

*Executive Directors:*

Mr. Cai Shuiyong (*Chairman*)  
Mr. Cai Shuiping

*Independent Non-executive Directors:*

Mr. Lin Anqing  
Ms. Lin Peifen  
Mr. Liu Jianlin

*Registered office:*

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*

Suites 2201-2203, 22nd Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

13 January 2010

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
ACQUISITION OF 30% SHAREHOLDING INTEREST  
IN HONGFENG TEXTILE**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 23 December 2009, in which the Board announced that on 23 December 2009, Sino Prosper, as the Purchaser, has conditionally entered into Equity Transfer Agreement II whereby Sino Prosper agreed to purchase from and Hong Feng International agreed to dispose of the remaining 30% of the equity interest in Hongfeng Textile for a consideration of approximately RMB3.5 million (equivalent to approximately HK\$4.0 million).

The purpose of this circular is to provide you with, among other matters, (i) further details regarding the Acquisition and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice and recommendation in respect of the Acquisition and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders containing its advice and recommendation in respect to the Acquisition and the transactions contemplated thereunder; and (iv) a notice convening the EGM.

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## LETTER FROM THE BOARD

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### MAJOR TERMS OF THE EQUITY TRANSFER AGREEMENT II

- Date : 23 December 2009
- Parties : ● Sino Prosper, as the Purchaser
- Hong Feng International, as the Vendor
- Subject matter : The acquisition of remaining 30% of the equity interest in Hongfeng Textile for a consideration of approximately RMB3.5 million (equivalent to approximately HK\$4.0 million) from Hong Feng International by Sino Prosper
- Consideration : The consideration payable by Sino Prosper to the Vendor under the Equity Transfer Agreement II is RMB3.5 million (equivalent to approximately HK\$4.0 million), which is to be settled in cash in two instalments as follows:
- (i) an initial deposit of 40% of the total consideration (i.e. about RMB1.4 million, equivalent to about HK\$1.6 million) to be paid by the Purchaser within 15 Business Days upon signing of the Equity Transfer Agreement II on 23 December 2009; and
  - (ii) the remaining balance of 60% of the total consideration (i.e. about RMB2.1 million, equivalent to about HK\$2.4 million) to be paid by the Purchaser within 15 Business Days upon completion of the transfer of the legal title in respect of the 30% of the equity interest in Hongfeng Textile.

The payment for the consideration of the Equity Transfer Agreement II will be funded by the Group's internal generated resources.

### BASIS OF CONSIDERATION

The consideration of approximately RMB3.5 million (equivalent to approximately HK\$4.0 million) for 30% of the equity interest in Hongfeng Textile has been determined on arm's length negotiation with reference to the current market valuation of Hongfeng Textile of RMB11.7 million as at 31 October 2009 appraised by a PRC qualified independent valuer with a report issued on 10 November 2009 using replacement cost approach. The cost approach entails the estimation of the gross replacement costs of the assets from which deductions may be made to allow for age, physical deterioration and other relevant factors to arrive at the value of the land and plants.

### REASON FOR THE ACQUISITION

The Group is principally engaged in the manufacturing and wholesaling of apparels on an original equipment manufacturing ("OEM") basis. The Group's OEM products are mainly sold to domestic import and export companies and overseas trading companies for export. The Group is also engaged in manufacturing and wholesaling of the Group's designed



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## LETTER FROM THE BOARD

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products to domestic distributors for sales in the PRC. Since March 2008, the Group has established a wholesale outlet in Wannian county, Jiangxi province, the PRC for marketing and sales of the Group's designed products using the Group's brand name.

As disclosed in the Company's prospectus dated 29 September 2009, Wannianxian Xiefeng Textiles and Garments Co., Ltd., an indirect wholly-owned subsidiary of the Company has entered into a lease agreement with Hongfeng Textile to lease the two plants located at Feng Shou Industrial Park, Wannian County, Jiangxi province, the PRC for production at an annually rental of RMB144,000 since January 2009.

The Company has already held indirectly 70% of the equity interest in Hongfeng Textile as at the date of the Equity Transfer Agreement II. In order to obtain entire control over Hongfeng Textile and its assets and mitigate any potential connected transactions, the Board considers the acquisition of the remaining 30% of the equity interest in Hongfeng Textile is in the interests of the Company and its Shareholders as a whole. The Board also believes by acquiring the remaining 30% of the equity interest of Hongfeng Textile, the Group would secure its main production base and utilize the vacant area proximity to the production plants, which is not included in the above-mentioned lease agreement, to establish additional production line, a research and development department as disclosed in the Company's prospectus dated 29 September 2009, and a dormitory for staffs who are working in the plants.

Having taken into account various factors, including those set out above, the Directors consider that the Equity Transfer Agreement II is entered into on normal commercial terms and its terms and conditions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. As the payment for the consideration of the Equity Transfer Agreement II will be funded by the Group's internal generated resources, the Board does not expect that there will be any significant financial impact to the Group on the Acquisition.

### INFORMATION ON HONGFENG TEXTILE

Hongfeng Textile has acquired the land in May 2007. As disclosed in the Company's prospectus dated 29 September 2009, Hongfeng Textile does not have any business operations for the two financial years ended 31 December 2008 except for holding the two plants located at Feng Shou Industrial Park, Wannian County, Jiangxi province, the PRC with a total gross floor area of approximately 3,828 square metres and the relevant piece of land with an area of approximately 56,572 square metres. After the completion of the construction of the plants in late 2008, Hongfeng Textile has entered into a lease agreement with Wannianxian Xiefeng Textiles and Garments Co., Ltd. to lease the two plants in January 2009. Apart from the lease, Hongfeng Textile does not have any other business operations.

According to Hongfeng Textile's unaudited management account for the two years ended 31 December 2008 which was prepared in accordance with PRC generally accepted accounting principles, Hongfeng Textile recorded a nil turnover, a nil net profit before and after taxation for each of the two years ended 31 December 2007 and 2008. For the ten

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## LETTER FROM THE BOARD

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months ended 31 October 2009, the turnover, net profit before and after taxation of Hongfeng Textile was approximately RMB144,000, RMB118,000 and RMB118,000, respectively.

The unaudited net asset value of Hongfeng Textile as at 31 December 2007, 31 December 2008 and 31 October 2009 was approximately RMB6.3 million, RMB6.3 million and RMB6.4 million, respectively.

### INFORMATION ON HONG FENG INTERNATIONAL

Hong Feng International is a company with limited liability incorporated in the British Virgin Islands and is principally engaged in investment holding.

### IMPLICATIONS UNDER THE GEM LISTING RULES

Hong Feng International owns 30% of the equity interest in Hongfeng Textile. As Hong Feng International is owned as to 50% by Mr. Cai Shuiyong and as to 50% by Mr. Cai Shuiping, who are the Directors and controlling Shareholders of the Company, pursuant to Chapter 20 of the GEM Listing Rules, the transaction contemplated under the Equity Transfer Agreement II constitutes a connected transaction of the Company under rule 20.13 of the GEM Listing Rules.

As the applicable percentage ratios under the GEM Listing Rules in respect of the consideration of the Equity Transfer Agreement II in aggregate with the consideration of the Equity Transfer Agreement I exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under rule 19.06 of the GEM Listing Rules.

### EGM

Set out on pages 25 to 26 of this circular is a notice convening an EGM which will be held at 12th Floor, Humei Hotel, Citong North Road, Quanzhou, Fujian, China at 3 p.m. on Thursday, 28 January 2010 at which resolutions will be proposed to, among other things, to approve the Acquisition and the Equity Transfer Agreement II. Voting on such resolution by Independent Shareholders will be taken by way of poll.

Mr. Cai Shuiyong and Mr. Cai Shuiping, being the controlling Shareholders of the Company holding 70.0% of the share capital of the Company at the Latest Practicable Date, and its associates (as defined in the GEM Listing Rules) will abstain from voting with regards to the ordinary resolution in connection with the Acquisition and the Equity Transfer Agreement II to be proposed at the EGM.

A form of proxy of the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding

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## LETTER FROM THE BOARD

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of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Lin Anqing, Ms. Lin Peifen and Mr. Liu Jianlin, all being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder.

Mitsubishi UFJ Securities (HK) Capital, Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder.

The Independent Board Committee and the Directors, having taken into account the advice of the Independent Financial Adviser, consider that the Equity Transfer Agreement II was entered into on normal commercial terms and that the terms of the Equity Transfer Agreement II are fair and reasonable and in the interests of the Group so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM for approving the Acquisition and the transactions contemplated thereunder.

The text of the letter from the Independent Board Committee is set out on page 10 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 11 to 20 of this circular.

### RECOMMENDATION

The Board, having taken into account the advice of the Independent Financial Adviser, and the Independent Board Committee consider that the terms of the Equity Transfer Agreement II are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 10 of this circular which contains its views in relation to the Acquisition and transactions contemplated thereunder; and (ii) the letter from the Independent Financial Adviser, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and transactions contemplated thereunder and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from the Independent Financial Adviser is set out on pages 11 to 20 of this circular.

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**LETTER FROM THE BOARD**

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**ADDITIONAL INFORMATION**

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

Yours faithfully,  
By order of the Board  
**Jiangchen International Holdings Limited**  
**Cai Shuiyong**  
*Chairman and Executive Director*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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**江晨國際控股有限公司**  
**Jiangchen International Holdings Limited**

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

**(stock code: 08305)**

13 January 2010

*To the Independent Shareholders*

Dear Sirs,

We refer to the circular (the “Circular”) dated 13 January 2010 to the Shareholders, of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed to advise the Independent Shareholders on whether the terms and conditions of the Acquisition and the Equity Transfer Agreement II are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

Mitsubishi UFJ Securities (HK) Capital, Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 11 to 20 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 9 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Equity Transfer Agreement II, the principal reasons and factors considered by, and the advice of Mitsubishi UFJ Securities (HK) Capital, Limited, we are of the opinion that the Equity Transfer Agreement II and the transactions contemplated thereunder are on normal commercial terms and the terms of the Equity Transfer Agreement II are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Equity Transfer Agreement II and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
Independent Board Committee of  
**Jiangchen International Holdings Limited**  
**Mr. Lin Anqing,**  
**Ms. Lin Peifen and**  
**Mr. Liu Jianlin**  
*Independent Non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Mitsubishi UFJ Securities (HK) Capital, Limited dated 13 January 2010 prepared for incorporation in this circular.*



Mitsubishi UFJ Securities

Mitsubishi UFJ Securities (HK) Capital, Limited

13 January 2010

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sirs,

### **DISCLOSABLE AND CONNECTED TRANSACTION ACQUISITION OF SHAREHOLDING INTEREST**

#### **INTRODUCTION**

We refer to our engagement as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders of the Company in respect of the terms of the Acquisition, particulars of which are set out in the circular (the “Circular”) of the Company dated 13 January 2010 and in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

As set out in the letter from the Board (the “Letter from the Board”), Sino Prosper (being a wholly-owned subsidiary of the Company) conditionally entered into the Equity Transfer Agreement II on 23 December 2009 whereby Sino Prosper (as the Purchaser) agreed to purchase from and Hong Feng International (as the Vendor) agreed to dispose of the remaining 30% of the equity interest in Hongfeng Textile for a consideration of approximately RMB3.5 million (approximately HK\$4.0 million). The Vendor is owned as to 50%:50% by two Directors (and controlling Shareholders) of the Company. Accordingly, and as the applicable percentage ratios under the GEM Listing Rules in respect of the consideration of the Equity Transfer Agreement II in aggregate with the consideration of the Equity Transfer Agreement I are not less than 2.5% and more than HK\$10.0 million, the Acquisition would constitute a non-exempt connected transaction of the Company under the GEM Listing Rules and require independent Shareholders’ approval.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the management of the Company regarding the Group and the respective terms of the Acquisition, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Company in the Circular were reasonably made after due enquiry. We consider that

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Hongfeng Textile and their respective associates nor have we carried out any independent verification of the information supplied.

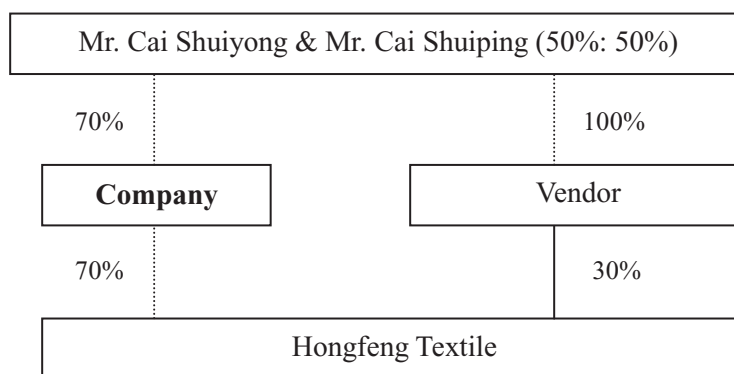
### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Acquisition, we have considered the following principal factors and reasons:

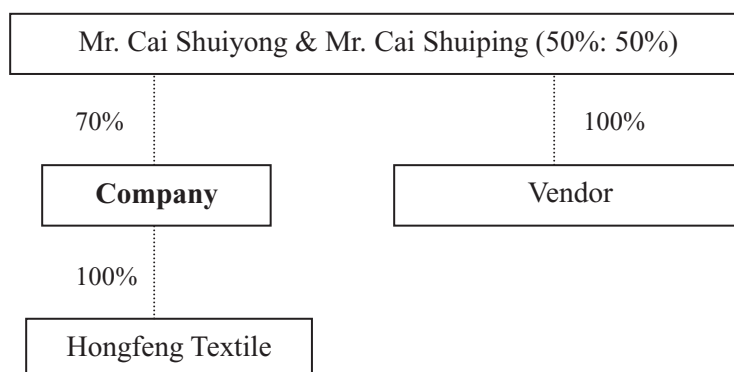
#### 1. Background of, and reasons for, the Acquisition

We summarise below the simplified shareholding structure of Hongfeng Textile, which is the target to be acquired by the Group pursuant to the Acquisition:

- *Existing*



- *Assuming completion of the Acquisition*



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(i) *Business performance of Hongfeng Textile*

The following is a summary of the financial results of Hongfeng Textile for the two most recent financial years and the most recent period:

	Year ended 31 December		Ten months ended
	2007	2008	31 October
	RMB'000	RMB'000	2009
			RMB'000
Turnover	0	0	144
Net profit before tax	0	0	118
Net profit after tax	0	0	118
Net assets	6,300	6,300	6,400

*Source:* Unaudited management accounts prepared in accordance with PRC generally accepted accounting principles

As set out in the Letter from the Board, Hongfeng Textile has acquired the land in May 2007. For the two financial years ended 31 December 2008, Hongfeng Textile did not have any business operations except for holding the two plants located at Feng Shou Industrial Park, Wannian County, Jiangxi province, the PRC with a total gross floor area of approximately 3,828 square metres and the relevant piece of land with an area of approximately 56,572 square metres. After completion of the construction of the plants in late 2008, Hongfeng Textile has entered into a lease agreement with Wannianxian Xiefeng Textiles and Garments Co., Ltd. (being a wholly-owned subsidiary of the Company) to lease the two plants in January 2009. Apart from the lease, Hongfeng Textile does not have any other business operations.

(ii) *Reasons for the Acquisition*

The Group is principally engaged in the manufacturing and wholesaling of apparels on an OEM basis. The Group's OEM products are mainly sold to domestic import and export companies and overseas trading companies for export. The Group is also engaged in manufacturing and wholesaling of the Group's designed products to domestic distributors for sales in the PRC. Since March 2008, the Group has established a wholesale outlet in Wannian county, Jiangxi province, the PRC for marketing and sales of the Group's designed products using the Group's brand name.

As disclosed in the Company's prospectus dated 29 September 2009, Wannianxian Xiefeng Textiles and Garments Co., Ltd., an indirect wholly-owned subsidiary of the Company has entered into a lease agreement with Hongfeng Textile to lease the two plants located at Feng Shou Industrial Park, Wannian County, Jiangxi province, the PRC for production at an annual rental of RMB144,000 since January 2009.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As disclosed in the Company's announcement dated 2 December 2009, the Board believes by acquiring 70% of the equity interest of Hongfeng Textile pursuant to the Equity Transfer Agreement I, the Group would secure its main production base. Upon our due diligence enquiry, the Directors have become believing that by owning instead of leasing the same two plants of the Group in Wannian County, the Company would be equipped with a better platform to develop in alignment with the future plans and business strategies as disclosed in the prospectus of the Company dated 29 September 2009, which is namely, (i) increasing its production capacity in Jiangxi province by establishing additional production line; and (ii) enhancing its product design capacity by establishing a research and development department.

The Company has already held indirectly 70% of the equity interest in Hongfeng Textile following completion of the Equity Transfer Agreement I (which took place by 7 December 2009). By acquiring the remaining 30% of the equity interest of Hongfeng Textile pursuant to the Equity Transfer Agreement II, we note that

- (a) the Acquisition can serve to obtain entire control over Hongfeng Textile and its assets and mitigate any potential connected transactions of the Company; and
- (b) the Group could be in a more flexible position to utilise the vacant area in proximity to the production plants, which is not included in the above-mentioned lease agreement, to establish (i) additional production line, (ii) a research and development department as disclosed in the Company's prospectus dated 29 September 2009, and (iii) a dormitory for staffs who are working in the plants.

On the above basis, we believe that the Acquisition is in the interests of the Company and the Shareholders as a whole.

## 2. Terms of the Acquisition

### *(i) Consideration*

As set out in the Letter from the Board, the consideration of approximately RMB3.5 million (approximately HK\$4.0 million) for 30% of the equity interest in Hongfeng Textile has been determined on arm's length negotiation with reference to the current market valuation of Hongfeng Textile of RMB11.7 million as at 31 October 2009 appraised by a PRC qualified independent property valuer with a report issued on 10 November 2009 using replacement cost approach. We understand from the relevant valuer on the choice of valuation approach that

- (a) adopting an income approach would otherwise be inapplicable because Hongfeng Textile is still under a start-up phase so far after its establishment; and

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (b) adopting a market comparable approach would otherwise be inapplicable due to the lack of information regarding any recent sale and purchase transaction of similar industrial complexes adjacent to the land and buildings/ structures held by Hongfeng Textile.

In essence, we understand that the replacement cost approach for valuing Hongfeng Textile entails the estimation of the gross replacement costs of its underlying assets item-by-item (in accordance with current construction costs) from which deductions may be made to allow for age, physical deterioration and other relevant factors to arrive at the value of the land and plants. We consider this valuation approach as not uncommon for valuing such land and buildings that are geographically located in a relatively remote and small county such as in the case of Hongfeng Textile.

Upon reviewing the relevant valuation report, we summarise the key items of asset and liabilities of Hongfeng Textile as at 31 October 2009 below:

<b>Item</b>	<b>Detail</b>
(1) Land use rights	➤ Land site on which two production plants are erected
(2) Buildings/structures	➤ Two production plants ➤ Fences ➤ Electricity circuit ➤ Well ➤ Doors
(3) Current liabilities	➤ Mostly “other accounts payable” to Mr. Cai Shuiyong (who is a 50% owner of the Vendor)
NAV	{= (1)+(2)-(3)}

We have the following observation and analysis on the relevant valuation step:

- (1) the gross replacement cost of the land use rights held by Hongfeng Textile is assessed at approximately RMB10.9 million, which is higher than the original net book value of the same of RMB5.8 million by about 88%, and is equivalent to the final valuation figure of RMB10.9 million;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (2) the gross replacement costs of the buildings/ structures held by Hongfeng Textile are first assessed at approximately RMB4.3 million, which are higher than the original net book value of the same of RMB3.7 million by about 14%;
- (3) an allowance rate for accrued depreciation of 5% is onwardly applied on the gross replacement costs of the buildings/ structures held by Hongfeng Textile to arrive at the final valuation figure of RMB4.0 million; and
- (4) the gross replacement cost of the current liabilities incurred by Hongfeng Textile is assessed at approximately RMB3.2 million, which is equivalent to the original net book value of the same of RMB3.2 million and is equivalent to the final valuation figure of RMB3.2 million.

Regarding point (1) above, we understand from the relevant valuer that the gross replacement cost of the land use rights held by Hongfeng Textile is mainly the summation of (i) land requisition fee, (ii) field clearance fee, (iii) connection fees for water, electricity and telecommunication, which is valued at about RMB192 per sq.m..

Regarding point (2) above, we understand from the relevant valuer that the gross replacement costs of the buildings/ structures held by Hongfeng Textile are mainly the summation of (i) in-advance construction fee and (ii) construction/ installation fee.

Regarding point (3) above, we understand that the depreciation allowance rate of 5% is assigned by the relevant valuer after it has assessed the observed condition or obsolescence present in the buildings/ structures held by Hongfeng Textile (whether arising from physical, functional or economics causes). We note that the dates of completion or installation of the buildings/ structures held by Hongfeng Textile were in January 2008 or within 2008.

The current market valuation of Hongfeng Textile as appraised by the relevant valuer as at 31 October 2009 was RMB11.7 million, and a 30% attributable level of which is approximately RMB3.5 million. Upon comparison, we note that the consideration payable for the Acquisition of approximately RMB3.5 million (approximately HK\$4.0 million) does not exceed the said attributable valuation and, hence, we consider it to be acceptable to the Group (as purchaser), taking into further account of the appropriateness of the valuation approach relevant to Hongfeng Textile.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(ii) Settlement*

As set out in the Letter from the Board, the payment for the consideration of the Equity Transfer Agreement II of RMB3.5 million (approximately HK\$4.0 million) is to be settled in cash in two instalments:

- (a) an initial deposit of 40% of the total consideration (i.e. about RMB1.4 million, equivalent to about HK\$1.6 million) to be paid by the Purchaser within 15 Business Days upon signing of the Equity Transfer Agreement II on 23 December 2009; and
- (b) the remaining balance of 60% of the total consideration (i.e. about RMB2.1 million, equivalent to about HK\$2.4 million) to be paid by the Purchaser within 15 Business Days upon completion of the transfer of the legal title in respect of the 30% of the equity interest in Hongfeng Textile.

We consider the said settlement terms (initial deposit of 40%, then followed by remaining balance of 60% upon transfer of legal title) can be regarded to be in line with the prevailing market practice of sale and purchase transaction of real estate in the PRC.

On the above basis, we consider that the terms of the Equity Transfer Agreement II (namely, the consideration payable and the settlement terms) are fair and reasonable.

### **3. Financial effects of the Acquisition on the Group**

*(i) Cashflow*

- *Impact from the settlement of the consideration*

As set out in the Letter from the Board, the payment for the consideration of the Equity Transfer Agreement II of RMB3.5 million (approximately HK\$4.0 million) will be funded by the Group's internal generated resources, which is to be settled in cash in two instalments as detailed in the preceding section. On such basis, the Acquisition is expected to have a negative impact on the cashflow position of the Group immediately upon its completion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the Company's prospectus dated 29 September 2009, we note that the audited cash and cash equivalent of the Group amounted to approximately HK\$4.1 million as at 31 March 2009, which is more than the consideration payable under the Equity Transfer Agreement II of RMB3.5 million (approximately HK\$4.0 million), but is less than the consideration paid under the Equity Transfer Agreement I of RMB8.2 million (approximately HK\$9.3 million). However, after taking into account:

- (a) the positive operating cashflow recorded by the Group for the six months ended 30 September 2009; and
- (b) the Group itself did not have any significant capital commitments as at 22 September 2009 (being the latest practicable date for the Company's prospectus dated 29 September 2009),

the Directors expect that the Group would have sufficient working capital for meeting the settlement obligation of the consideration payable under the Acquisition.

- *Impact from the subsequent utilisation of the vacant area*

As set out in the Letter from the Board, the Group would after completion of the Acquisition utilise the vacant area in proximity to the Group's existing production plants, which is not included in the above-mentioned lease agreement, to establish (i) additional production line, (ii) a research and development department as disclosed in the Company's prospectus dated 29 September 2009, and (iii) a dormitory for staff who are working in the plants.

Upon review of the Company's prospectus dated 29 September 2009, we note that the proposed utilisation of the said vacant area is in line with the Group's then intention immediately prior to the listing of Shares on the Stock Exchange to

- (i) increase its production capacity in Jiangxi province, the PRC by establishing new production facilities with an annual production capacity of approximately 2,500,000 pieces of apparels. At that stage, the Group has three production plants located in Jiangxi province, the PRC with a production capacity of approximately 6,240,000 pieces of apparels for the year ended 31 December 2008; and
- (ii) enhance its product design capacity by establishing a research and development department under Wannianxian Xiefeng Textile and Garments Co., Ltd. in Wannian County. This department will be supervised by the Group's marketing director. Initially, the Group plans to hire three new staff members with relevant experience in product design and marketing of garments.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Upon our enquiry, we understand from the Company that the relevant CAPEX on the part of the Group for the proposed utilisation of the said vacant area after completion of the Acquisition is expected to be around the corresponding sums of RMB7.5 million and RMB4.0 million as cited in Company's prospectus dated 29 September 2009.

### *(ii) Gearing*

As set out in the Company's prospectus dated 29 September 2009, the audited total borrowings of the Group were approximately RMB2.9 million as at 31 March 2009, whereas the audited total assets of the Group as at 31 March 2009 were approximately RMB47.6 million. On such basis, the gearing ratio of the Group was 6% as at 31 March 2009.

As discussed with the Company, the amount of the consideration payable under the Acquisition is not to be funded by new borrowings of the Group. Following completion of the Equity Transfer Agreement I (which took place by 7 December 2009), Hongfeng Textile has become a non-wholly-owned subsidiary of the Group and, hence, the total liabilities of Hongfeng Textile would have been fully consolidated into those of the Group (including its unaudited current liabilities which amounted to approximately RMB3.2 million as at 31 October 2009).

We note that an overriding majority of the said unaudited current liabilities of Hongfeng Textile of approximately RMB3.2 million as at 31 October 2009 was "other accounts payable" to Mr. Cai Shuiyong, who is a 50% owner of the Vendor. We understand from the Company that such sum has no fixed term of repayment and is interest-free in nature.

Assuming completion of the Equity Transfer Agreement II, Hongfeng Textile shall become a wholly-owned subsidiary of the Group and, hence, the relevant minority interests (representing 30% attributable interests in Hongfeng Textile) is expected to be extinguished.

### *(iii) Earnings*

Following completion of the Acquisition, Hongfeng Textile will become a wholly-owned subsidiary of the Group and, hence, the annual rental revenue entitled by Hongfeng Textile is expected to be fully eliminated with an equivalent annual rental expense incurred by Wannianxian Xiefeng Textiles and Garments Co., Ltd. upon consolidation on a group basis.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the principal factors and reasons, in particular,

- (i) the Acquisition can serve to obtain entire control over Hongfeng Textile and its assets and mitigate any potential connected transactions of the Company;
- (ii) the Group could be in a more flexible position to utilise the vacant area in proximity to the Group's existing production plants held by Hongfeng Textile, which is not included in the existing lease agreement, to establish (amongst others) (i) additional production line, and (ii) a research and development department; and
- (iii) the consideration payable for the Acquisition of approximately RMB3.5 million (approximately HK\$4.0 million) does not exceed the attributable valuation by the relevant valuer,

we are of the opinion that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We further consider that the holding by Hongfeng Textile (which is the target under the Acquisition) of the relevant factory land and plants is in the ordinary and usual course of business of the Group, given that the Group is engaged in manufacturing activity. Accordingly, we recommend the Independent Shareholders, and we recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM for approving the Acquisition.

Yours faithfully,  
For and on behalf of  
**Mitsubishi UFJ Securities (HK) Capital, Limited**  
**Harry Yu**  
*Executive Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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:

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

## 2. DISCLOSURE OF INTEREST

### (a) Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO which were notified to the Company and the Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long position in Shares of the Company*

Name of Director	Number of ordinary Shares			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Cai Shuiyong	–	–	259,000,000 <sup>(1)</sup>	259,000,000	70.0%
Mr. Cai Shuiping	–	–	259,000,000 <sup>(1)</sup>	259,000,000	70.0%

*Note:* These Shares are owned by Well Bright Group Limited which is owned 50% by Mr. Cai Shuiyong and 50% by Mr. Cai Shuiping. Therefore, each of Mr. Cai Shuiyong and 50% by Mr. Cai Shuiping is deemed to be interested in 259,000,000 Shares held by Well Bright Group Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debenture of the Company or any of its associated corporations



(within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' and other persons' interests in Shares and underlying Shares**

As at the Latest Practicable Date, the interests and short positions of persons, other than the Directors or chief executive of the Company, in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

*Long position in Shares of the Company*

Name	Capacity	Nature of interest	Number of ordinary Shares	Percentage of issued share capital
Well Bright Group Limited	Beneficial owner	259,000,000	259,000,000	70.0%
Ms. Cai Shuyan	Interest of spouse	259,000,000 <sup>(1)</sup>	259,000,000	70.0%
Ms. Sun Meige	Interest of spouse	259,000,000 <sup>(2)</sup>	259,000,000	70.0%

*Notes:*

1. Mr. Cai Shuiyong beneficially owned 50% of Well Bright Group Limited and Well Bright Group Limited held 259,000,000 Shares of the Company. Ms. Cai Shuyan is the spouse of Mr. Cai Shuiyong. Therefore, Ms. Cai Shuyan is deemed to be interested in all Shares of the Company held by Mr. Cai Shuiyong.
2. Mr. Cai Shuiping beneficially owned 50% of Well Bright Group Limited and Well Bright Group Limited held 259,000,000 Shares of the Company. Ms. Sun Meige is the spouse of Mr. Cai Shuiping. Therefore, Ms. Sun Meige is deemed to be interest in all Shares of the Company held by Mr. Cai Shuiping.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

### 4. EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Mitsubishi UFJ Securities (HK) Capital, Limited	A registered institution to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO

As at the Latest Practicable Date, Mitsubishi UFJ Securities (HK) Capital, Limited had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Mitsubishi UFJ Securities (HK) Capital, Limited had no direct or indirect interest in any assets which had been, since 31 December 2008 (the date to which the latest published audited financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

Mitsubishi UFJ Securities (HK) Capital, Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

### 5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date to which the latest audited financial statements of the Company were made up.

### 6. DIRECTORS' OTHER INTEREST

No contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries is a party and in which any Director has a material interest, whether directly or indirectly, subsist at the date of this circular.

None of the Directors and expert referred in the paragraph headed “Expert” in this appendix has any direct or indirect interest in any asset which has been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 December 2008, the date to which the latest published audited consolidated financial statements of the Group were compiled, up to and including the Latest Practicable Date.

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or has, any other conflict of interest which any such person has or may have within the Group.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the EGM:

- (a) the letter from the Independent Board Committee, the text of which is set out on page 10 in this circular;
- (b) the letter of advice from Mitsubishi UFJ Securities (HK) Capital, Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 11 to 20 in this circular;
- (c) the Equity Transfer Agreement I;
- (d) the Equity Transfer Agreement II; and
- (e) this circular.

## **8. MISCELLANEOUS**

The English text of this circular shall prevail over Chinese text in case of any inconsistency.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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江晨國際控股有限公司  
**Jiangchen International Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
(stock code: 08305)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of the shareholders of Jiangchen International Holdings Limited (the “Company”) will be held at 3 p.m. on Thursday, 28 January 2010 at 12th Floor, Humei Hotel, Citong North Road, Quanzhou, Fujian, the People’s Republic of China for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution:

#### ORDINARY RESOLUTION

- (a) “**THAT** the Acquisition and the Equity Transfer Agreement II as defined and described in the circular to the Shareholders of the Company dated 13 January 2010 (a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder, be and are hereby confirmed and approved; and
- (b) any one or more of the directors (the “Directors”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Equity Transfer Agreement II and the transactions contemplated thereunder”

Yours faithfully,  
By order of the Board  
**Jiangchen International Holdings Limited**  
**Cai Shuiyong**  
*Chairman and Executive Director*

The PRC, 13 January 2010

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered office:*

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

*Principal place of business in Hong Kong:*

Suites 2201-2203, 22nd Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the 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.
2. A form of proxy for use of the EGM is enclosed. Whether or not you intend to attend the EGM 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 EGM or any adjournment thereof, should he so wish.
3. In order 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 at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.