THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Runway Global Holdings Company Limited (the "**Company**"), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8309)

PROPOSED DISCLOSEABLE TRANSACTION IN RELATION TO FOREIGN EXCHANGE FORWARD CONTRACTS; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Terms used in this cover page have the same meanings as defined in this circular.

A notice of EGM to be held at 14th Floor, Park Building, 476 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Thursday, 16 October 2014 at 3:00 p.m. is set out on pages 23 to 24 of this circular. A form of proxy for use thereat is also enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof should you so wish.

This circular will remain on the "Latest Listed Company Announcement" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This circular will also be published on the Company's website at www.runwayglobal.com.

29 September 2014

CHARACTERISTICS OF GEM

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.

CONTENTS

	Page
CHARACTERISTICS OF GEM	i
DEFINITIONS	1
LETTER FROM THE BOARD	3
NOTICE OF EXTRAORDINARY GENERAL MEETING	23

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

"associate"	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"Company"	Runway Global Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
"controlling shareholders"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held and convened at 3:00 p.m. on 16 October 2014 at 14th Floor, Park Building, 476 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for the Shareholders to consider and, if thought fit, to approve the proposed foreign exchange structured forward contracts.
"FX Forward Contracts"	a foreign exchange forward contract or a set of such contracts proposed to be entered into by the Group with Cathay Bank, to hedge against the Group's currency risk in relation to the possible appreciation of RMB against US$
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
"Latest Practicable Date"	25 September 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

"Listing"	the listing of the Shares on GEM
Mr. Tien	Mr. Hubert Tien, an executive Director, chairman of the Board and one of the controlling shareholders of the Company
Mr. Gozashti	Mr. Farzad Gozashti, an executive Director and one of the controlling shareholders of the Company
"Prospectus"	the prospectus of the Company dated 27 November 2013
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8309)

Executive Directors:
Mr. Hubert Tien *(Chairman)*
Mr. Farzad Gozashti

Independent Non-executive Directors:
Mr. Tang Shu Pui, Simon
Mr. Tang Tsz Kai, Kevin
Mr. Lai Man Sing

Registered office:
Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Principal place of business in Hong Kong:
14th Floor, Park Building
476 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

29 September 2014

To Shareholders

Dear Sir or Madam,

PROPOSED DISCLOSEABLE TRANSACTION IN RELATION TO FOREIGN EXCHANGE FORWARD CONTRACTS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The Group intends to enter into the FX Forward Contracts to hedge against its currency risk. As disclosed in the Prospectus, the Group's revenue is mainly denominated in USD while its costs are mainly denominated in RMB. Appreciation of RMB against USD will therefore directly decrease the profit margin of the Group if the Group is unable to increase the selling prices of its products accordingly. If the Group increases the selling prices of its products as a result of the appreciation of RMB, it may in turn affect the Group's competitiveness against its competitors. In light of this, entering into the FX Forward Contracts provides an effective way for the Group to hedge against such currency risk.

As mentioned above, any appreciation of RMB against US$ will have a negative impact on the Group's profit margin. Prior to the Listing, the Group entered into certain foreign exchange structured forward contracts to hedge against such currency risk, details of which are set out in the section headed "Existing foreign exchange structured forward contracts". Among the 3 foreign exchange structured contracts as disclosed in the Prospectus, one of them expired on 29 July 2014. The Directors are of the view that the retirement of such contract has lowered the hedging coverage ratio, and the remaining foreign exchange structured forward contracts might be insufficient to serve the purpose of substantially hedging against the currency risk arise from the Group's operation. Details of the analysis of hedging coverage ratio are set out in the section headed "Analysis on hedging coverage ratio". Unlike the existing foreign exchange structured forward contracts which are a hybrid combination of a forward contract with an option, the FX Forward Contracts is a type of plain-vanilla traditional hedging instrument that essentially allows the Group to use USD to purchase RMB at a pre-agreed point of time in the future and at a pre-agreed currency exchange rate, such that when the Group receives USD from its sales, it will know for sure the amount of USD that is required for converting into RMB in order to cover its operating costs denominated in RMB, thereby providing the desired hedging effect and stabilizing its profit margin. Since 1 January 2011 (the commencement of the track record period as stated in the Prospectus) and up to the Latest Practicable Date, the Group has not entered into any FX Forward Contracts or any contracts similar to those.

Having assessed the potential increase in operating costs as a result of possible appreciation of RMB against US$, details of which are set out in the section headed "Potential increase in operating costs as a result of appreciation of RMB against US$", the Group proposes to enter into the FX Forward Contracts. The Board started to consider the entering into of the FX Forward Contracts in April 2014. As disclosed in the Prospectus, the Group's chief financial officer would monitor the Group's exposure under the forward contracts regarding the hedging effectiveness and potential downside of the hedging instruments regularly. Upon the Group's monitoring and review, the Group considers that the retirement of one of the contracts as mentioned above would deteriorate its hedging coverage and effectiveness. In light of this, the Board started to consider the entering into of the FX Forward Contracts in April 2014.

Although it was not expressly disclosed in the Prospectus that the Group will consider entering into additional hedging arrangements when the then existing contracts approach their expiry, the Directors consider that the Prospectus contained sufficient information to demonstrate the facts that (i) the aforementioned currency risk is inherent to the Group's operation so long as the Group's revenue is mainly denominated in US$ and the Group's operating costs mainly denominated in RMB; (ii) without hedging, the Group will be exposed to the potential erosion of its profit margins if RMB appreciates against USD; (iii) the Group's 3 foreign exchange structured forward contracts were to expire on 29 July 2014, 7 January 2015 and 25 February 2015 respectively; and (iv) after listing, the Company will propose the relevant resolution(s) for the entering into of additional foreign exchange structured forward contracts as and when considered appropriate by the Group. In addition, whether the Group will enter into additional hedging arrangements when an existing contract approach its expiry depends on the actual operational needs of the Group at the time closer to the expiry of the contract, including in particular the expected amount of the Group's revenue denominated in US$ and the amount of the Group's operating costs denominated in RMB. For the avoidance of doubt, the Group did not have the intention to enter into additional hedging arrangement at the time of the Listing and therefore no indication was given in the Prospectus as to the Group's intention in this regard. As disclosed in the Prospectus, after listing, the Company will propose the relevant resolution(s) for the entering into of additional foreign exchange structured forward contracts as and when considered appropriate by the Group.

Some of the existing suppliers have indicated their preference to receive RMB, instead of USD, for trade settlement, which, if materialised, will be new arrangements between the Group and the existing suppliers regarding trade settlement. If a portion of the Group's costs denominated in USD is changed to RMB, the Group's operating costs denominated in RMB will increase (not due to the appreciation or depreciation of RMB against USD but due to more costs becoming payable to suppliers in RMB rather than in USD). Coupled with the retirement of one of the foreign exchange structured forward contracts in July 2014 as mentioned above, the Group has experienced a decrease in hedging coverage. In light of this, the Group considers that it is currently appropriate for the Group to enter into additional hedging arrangement after assessing the actual operational needs of the Group at present.

As disclosed in the Prospectus, in view of the potential downside risk of foreign exchange structured forward contracts, the Group had decided that it would not enter into any additional foreign exchange structured forward contracts unless Shareholders' approval has been obtained in advance, while Mr. Tien, Mr. Gozashti and their respective associates shall abstain from voting on the relevant resolution.

For the avoidance of doubt, the Group has disclosed in the Prospectus that the Group intends to seek for Shareholders' approval for entering into additional foreign exchange structured forward contracts with principal terms of the proposed contracts provided for Shareholders' consideration, such as the currencies involved, ranges of the relevant reference exchange rates and contract amounts or notional amounts for the foreign exchange transactions. In other words, the Company will propose the relevant resolution(s) for the Shareholders' consideration and, if though fit, approval as and when considered appropriate by the Group.

Taking into account that (i) the Group has a continuous needs to hedge against the currency risk arising from its operation; and (ii) one of the foreign exchange structured forward contracts expired on 29 July 2014, which has lowered the hedging coverage ratio, the Directors are of the view that it is appropriate and reasonable for the Group to enter into the FX Forward Contracts.

The purpose of this circular is to provide you with (i) information relating to the proposed transactions in relation to the foreign exchange structured forward contracts; and (ii) the notice of the EGM to be convened and held for purpose of considering, if thought fit, approving the FX Forward Contracts.

EXISTING FOREIGN EXCHANGE STRUCTURED FORWARD CONTRACTS

The following paragraphs outline the key terms of the 2 existing foreign exchange structured forward contracts as at the Latest Practicable Date:

With respect to the first contract: on the respective valuation dates (each of which is roughly a month apart), (i) if the spot exchange rate of RMB/USD is equal to or lower than 6.37, the Group will receive a fixed amount of RMB36,000 from the bank; (ii) if the spot exchange rate of RMB/USD is equal to or lower than the 6.40 but greater than 6.37 RMB/USD, the Group will have to pay to the bank a fixed amount of US$1,200,000 while the bank will at the same time pay to the Group a fixed amount of RMB7,680,000; and (iii) if the spot exchange rate of RMB/USD is greater than the 6.40, the Group will have to pay to the bank a fixed amount of US$2,400,000 while the bank will at the same time pay to the Group a fixed amount of RMB15,360,000.

With respect to the second contract: on the respective valuation dates (each of which is roughly a month apart), (i) if the spot exchange rate of RMB/USD is equal to or lower than 6.36, the Group will receive a fixed amount of RMB33,000 from the bank; (ii) if the spot exchange rate of RMB/USD is equal to or lower than the 6.39 but greater than 6.36 RMB/USD, the Group will have to pay to the bank a fixed amount of US$1,100,000 while the bank will at the same time pay to the Group a fixed amount of RMB7,029,000; and (iii) if the spot exchange rate of RMB/USD is greater than the 6.39, the Group will have to pay to the bank a fixed amount of US$2,200,000 while the bank will at the same time pay to the Group a fixed amount of RMB14,058,000.

FX FORWARD CONTRACTS

The FX Forward Contracts comprise one contract or a set of contracts (subject to limit as specified below) proposed to be entered into with Cathay Bank. The FX Forward Contracts require no initial cash outlay or purchase cost.

The principal terms of the FX Forward Contracts are as follows:

Proposed contract or contracts with Cathay Bank

With respect to the proposed contract (or a set of contracts) with Cathay Bank, there will be only one transaction (or, if a set of contracts, one transaction for each contract) between the Group and the relevant bank. Such transaction will take place on a pre-agreed date (the "**Transaction Date**"). Such transaction will consist of the following two payments at the same time:

(i) an amount payable by the Group to the bank, which will be equal to a fixed sum of US$ "X"; and

(ii) an amount payable by the bank to the Group, which will be a sum of RMB "Y" calculated as X multiplied by a pre-agreed exchange rate "Z" as specified in the contract, regardless of the then spot exchange rate of RMB/USD.

It is proposed that no matter one or more than one contract is entered into in this connection, the aggregate amount of X will not be larger than US$5,000,000, while the exchange rate Z will be within the range of 6.05 to 6.35, which is based on the recent RMB/USD spot exchange rates. The actual value of Z in the contract is based on the spot exchange rate of RMB/USD as at the contract date plus a certain percentage to be determined and offered by the bank, which provides a buffer for the Group when RMB depreciates against USD. It is also proposed that such contract (or set of contracts) will be entered into on or before 31 October 2014 and that the Transaction Date for any such contract will be on or before 31 December 2014.

The maximum value of X, or the maximum contract sum (being US$5,000,000), was determined having considered that (i) the Group's operating costs denominated in RMB for the year ended 31 December 2013 was approximately HK$115,047,000, equivalent to approximately US$14.7 million worth of RMB; and (ii) the maximum amount offered by Cathay Bank to the Group was US$5,000,000.

Although the actual value of Z is not known to the Shareholders until the signing of the contract, the Group will enter into the contract only when the value of Z is within a range of between 6.05 and 6.35. The Directors therefore consider that Shareholders are able to make an informed decision based on (i) the proposed range of value of Z of between 6.05 and 6.35; (ii) the mechanism of the contract as explained above; and (iii) the hedging needs of the Group as explained in the circular.

The number of contracts to be entered with Cathay Bank depends on the hedging needs of the Company. In particular, it depends on the timings of inflow of cash denominated in USD from the Group's operations and outflow of cash denominated in RMB for the Group's operating cost. In order to mitigate the currency risk arising from the operation having regard to the timing of operating cash inflows denominated in USD and outflows denominated in RMB and to lock up our profit margin, contracts of different size and timing may be needed. The Group will decide the number of contracts to be entered with Cathay Bank according to the schedule of payments from customers or to suppliers and/or subcontractors throughout the year.

Expected duration of the FX Forward Contracts

As mentioned above, it is proposed that the Transaction Date for any of the FX Forward Contracts will be on or before 31 December 2014. Therefore, the expected duration of a FX Forward Contract will be the length of period between the actual time of the entering into of the contract and 31 December 2014. For instance, assuming that a FX Forward Contract is entered into in October 2014, the expected duration such contract will then be approximately 2 months.

Any renewal or extension of any of the FX Forward Contracts will be subject to Shareholders' approval.

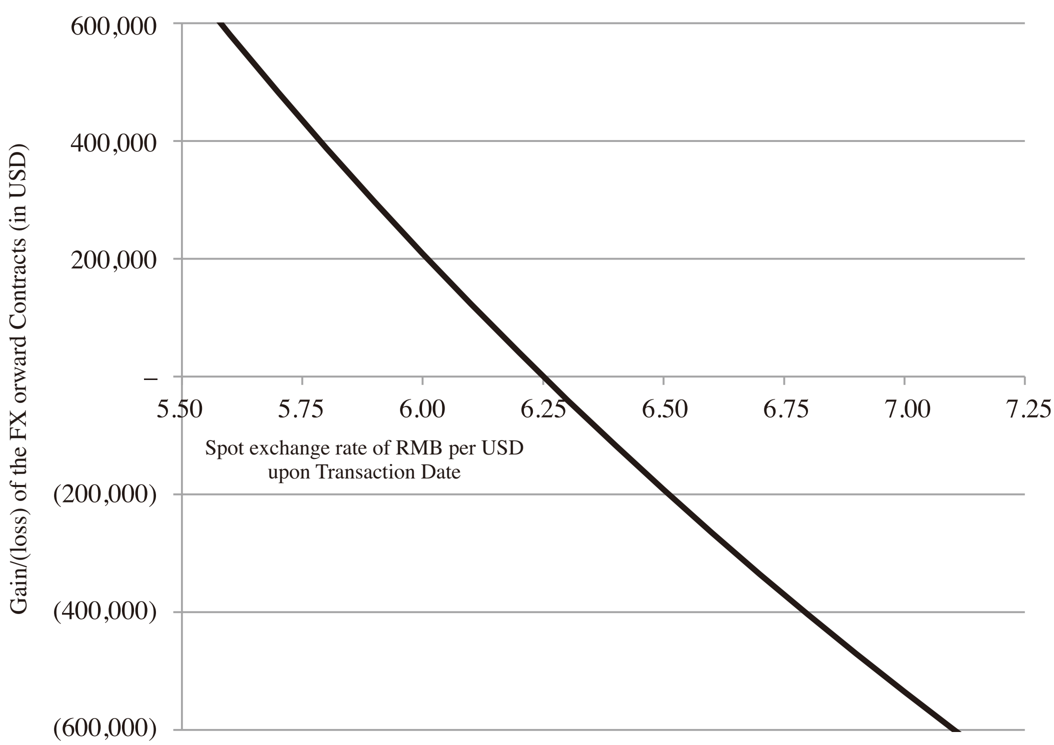
Potential gain/loss of the FX Forward Contracts

Without taking into account the potential increase/decrease in the Group's operating costs denominated in RMB as a result of the potential fluctuation of the exchange rate of RMB/USD, the potential gain/loss of the FX Forward Contracts is as follows:

Assumptions:

(i) X (total contract sum) = US$5,000,000

(ii) Z (pre-agreed exchange rate) = RMB 6.25 per US$ 1



Potential increase in operating costs as a result of appreciation of RMB against US$

Based on the Group's operating costs denominated in RMB for the year ended 31 December 2013 of approximately HK$115,047,000 and assuming that all variables of the operating costs denominated in RMB remain unchanged and the exchange rate of US$:HK$ holds at US$1:HK$7.8, the potential increase in operating costs as a result of appreciation of RMB against US$ as follows:

	HK$'000
Operating costs denominated in RMB for the year ended 31 December 2013	115,047
Estimated increase in operating costs for a financial year as a result of assuming an immediate appreciation of 5% of RMB against USD	7,021

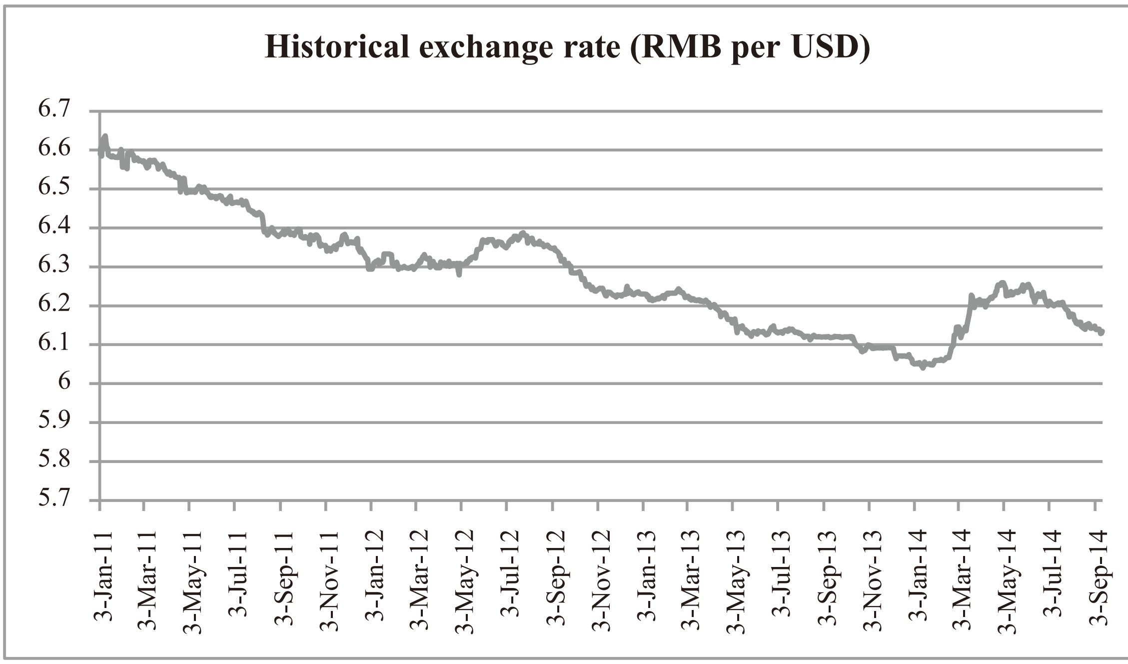
ABOUT CATHAY BANK

According to the annual report 2013 of Cathay Bank which is available at the website of the Hong Kong Monetary Authority ("**HKMA**"), Cathay Bank was incorporated under the laws of the State of California, United States, on 22 August 1961 and commenced operations as a California state-chartered bank on 19 April 1962. Cathay Bank's head office is located at 777 North Broadway, Los Angeles, California, United States. As of December 31, 2013, Cathay Bank had one branch office in Hong Kong and a representative office in Shanghai and in Taipei, in addition to its various branch offices within the United States.

According to the HKMA Register of Authorized Institutions and Local Representative Offices which is available on the website of HKMA, Cathay Bank is an authorized institution and its status is a licensed bank. Its principal place of business in Hong Kong is located at 503 Central Tower, 28 Queen's Road Central, Hong Kong.

CURRENCY MOVEMENT BETWEEN RMB AND USD

Below is the current movement between RMB and USD from 1 January 2011 up to the Latest Practicable Date:



As illustrated in the graph above, the appreciation in RMB in each of the three years ended 31 December 2013 was approximately 4.7%, 1.0% and 2.9% respectively. Given the historical fluctuation trend between RMB and USD, the Directors are of the view that effective hedging will be meaningful for the Group to lock up its currency position to prevent any significant appreciation in RMB given that significant portion of the Group's operating costs are denominated in RMB.

It should be noted, however, that the Directors consider that they are not in a position to predict whether or not RMB will appreciate or depreciate against USD based on the historical fluctuation. Historical fluctuation merely suggests that the exchange rate of RMB against USD will likely continue to fluctuate in the future. Any fluctuation in the exchange rate will lead to fluctuation in the Group's profit margin if the Group does not enter into any hedging arrangement. The FX Forward Contracts have the capability of stabilizing the Group's profit margin, regardless of whether RMB appreciates or depreciates against USD in the future. For details, please refer to the paragraph headed "Reasons for entering into the FX Forward Contracts".

EXPOSURE IN RESPECT OF THE EXISTING FOREIGN EXCHANGE STRUCTURED FORWARD CONTRACTS AND FX FORWARD CONTRACTS

For illustration purpose, assuming the pre-agreed exchange rate "Z" mentioned above is US$1:RMB6.25, and only one contract with the amount "X" of US$5,000,000 is entered with Cathay Bank on 31 October 2014, and will be settled on or before 31 December 2014:

Assuming an immediate depreciation of 5% of RMB against USD

The following table illustrates the Group's exposure subsequent to 31 October 2014 in respect of the existing foreign exchange structured contracts and FX Forward Contracts assuming that there will be an immediate depreciation of 5% of RMB against USD on 31 October 2014 compared to the exchange rate of US$1:RMB6.16 as at the Latest Practicable Date and the exchange rate then hold constant throughout the relevant contract periods (while assuming the exchange rate of US$:HK$ will hold constant at US$1: HK$7.8):

	Subsequent to 31 October 2014 and up to 31 December 2014	**Year ending 31 December 2015**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Potential losses incurred by the Group			
— Proposed contract/contract with Cathay Bank *(note 3)*	1,314	—	1,314
— Contract 1 *(note 1)*	394	197	591
— Contract 2 *(note 2)*	414	414	828
Subtotal	808	611	1,419
Total	2,122	611	2,733

Notes:

1. Contract 1 will expire on 7 January 2015. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$2,400,000 (or approximately HK$18,720,000) while the bank will at the same time pay the Group a fixed amount of RMB15,360,000 (or approximately HK$18,523,000 based on the exchange rate assumed in the hypothetical scenario) on roughly a monthly basis, representing a net potential loss of approximately HK$197,000 to be incurred by the Group each month until expiry of contract.

2. Contract 2 will expire on 25 February 2015. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$2,200,000 (or approximately HK$17,160,000) while the bank will at the same time pay the Group a fixed amount of RMB14,058,000 (or approximately HK$16,953,000 based on the exchange rate assumed in the hypothetical scenario) on roughly a monthly basis, representing a net potential loss of approximately HK$207,000 to be incurred by the Group each month until expiry of contract.

3. Proposed contract with Cathay Bank will expire on or before 31 December 2014. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$5,000,000 (or approximately HK$39,000,000) while the bank will at the same time pay the Group a fixed sum of RMB31,250,000 (or approximately HK$37,686,000 based on the exchange rate assumed in the hypothetical scenario) on an one-off basis, representing a net potential loss of approximately HK$1,314,000 to be incurred by the Group.

The assumption of an immediate 5% depreciation of RMB against USD is considered appropriate for the purpose of the above analysis because during the period from 1 January 2010 to 31 December 2013, the maximum annual percentage fluctuation in RMB against USD was approximately 4.7% (appreciation of RMB against USD).

As illustrated in the above table, based on the aforementioned assumptions, the total exposure of the Group under the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts throughout their remaining contract periods will be approximately HK$1,419,000 and HK$1,314,000 as at 31 October 2014. However, it should be noted that the above analysis does not take into account the potential decrease in operating costs of the Group as a result of the assumed 5% depreciation of RMB against USD. Based on the Group's operating costs denominated in RMB for the year ended 31 December 2013 of approximately HK$115,047,000 and assuming that all other variables of the operating costs denominated in RMB remain unchanged and the exchange rate of US$:HK$ holds constant at US$1:HK$7.8, a 5% depreciation of RMB will result in a decrease in the Group's operating costs by approximately HK$5,372,000, which would offset the loss of the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts by 196.6%. Therefore, under this scenario, the net effect to the Group's operating costs would be a net decrease of approximately HK$2,639,000.

Assuming an immediate depreciation of 10% of RMB against USD

The following table illustrates the Group's exposure subsequent to 31 October 2014 in respect of the existing foreign exchange structured contracts and FX Forward Contracts assuming that there will be an immediate depreciation of 10% of RMB against USD on 31 October 2014 compared to the exchange rate of US$1:RMB6.16 as at the Latest Practicable Date and the exchange rate then hold constant throughout the relevant contract periods (while assuming the exchange rate of US$:HK$ will hold constant at US$1: HK$7.8):

	Subsequent to 31 October 2014 and up to 31 December 2014	Year ending 31 December 2015	Total
	HK$'000	*HK$'000*	*HK$'000*
Potential losses incurred by the Group			
— Proposed contract/contract with Cathay Bank *(note 3)*	3,027	—	3,027
— Contract 1 *(note 1)*	2,078	1,039	3,117
— Contract 2 *(note 2)*	1,955	1,955	3,910
Subtotal	4,033	2,994	7,027
Total	7,060	2,994	10,054

Notes:

1. Contract 1 will expire on 7 January 2015. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$2,400,000 (or approximately HK$18,720,000) while the bank will at the same time pay the Group a fixed amount of RMB15,360,000 (or approximately HK$17,681,000 based on the exchange rate assumed in the hypothetical scenario) on roughly a monthly basis, representing a net potential loss of approximately HK$1,039,000 to be incurred by the Group each month until expiry of contract.

2. Contract 2 will expire on 25 February 2015. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$2,200,000 (or approximately HK$17,160,000) while the bank will at the same time pay the Group a fixed amount of RMB14,058,000 (or approximately HK$16,182,000 based on the exchange rate assumed in the hypothetical scenario) on roughly a monthly basis, representing a net potential loss of approximately HK$978,000 to be incurred by the Group each month until expiry of contract.

3. Proposed contract with Cathay Bank will expire on or before 31 December 2014. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$5,000,000 (or approximately HK$39,000,000) while the bank will at the same time pay the Group a fixed sum of RMB31,250,000 (or approximately HK$35,973,000 based on the exchange rate assumed in the hypothetical scenario) on an one-off basis, representing a net potential loss of approximately HK$3,027,000 to be incurred by the Group.

As illustrated in the above table, based on the aforementioned assumptions, the total exposure of the Group under the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts throughout their remaining contract periods will be approximately HK$7,027,000 and HK$3,027,000 respectively as at 31 October 2014. However, it should be noted that the above analysis does not take into account the potential decrease in operating costs of the Group as a result of the assumed 10% depreciation of RMB against USD. Based on the Group's operating costs denominated in RMB for the year ended 31 December 2013 of approximately HK$115,047,000 and assuming that all other variables of the operating costs denominated in RMB remain unchanged and the exchange rate of US$:HK$ holds constant at US$1:HK$7.8, a 10% depreciation of RMB will result in a decrease in the Group's operating costs by approximately HK$11,229,000, which would offset the loss of the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts by 111.7%. Therefore, under this scenario, the net effect to the Group's operating costs would be a net decrease of approximately HK$1,175,000.

Assuming an immediate appreciation of 5% of RMB against USD

The following table illustrates the Group's potential gain subsequent to 31 October 2014 in respect of the existing foreign exchange structured forward contracts and the FX Forward Contracts assuming that there will be an immediate appreciation of 5% of RMB against USD on 31 October 2014 compared to the exchange rate of US$1:RMB6.16 as at the Latest Practicable Date and the exchange rate then hold constant throughout the relevant contract periods (while assuming the exchange rate of US$:HK$ will hold constant at US$1: HK$7.8):

	Subsequent to 31 October 2014 and up to 31 December 2014	**Year ending 31 December 2015**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Potential gains incurred by the Group			
— Proposed contract/contract with Cathay Bank *(note 3)*	2,652	—	2,652
— Contract 1 *(note 1)*	96	48	144
— Contract 2 *(note 2)*	88	88	176
Subtotal	184	136	320
Total	2,836	136	2,972

Notes:

1. Contract 1 will expire on 7 January 2015. Under the hypothetical scenario, the bank will have to pay the Group a fixed amount of RMB36,000 on roughly a monthly basis, representing a potential gain of approximately HK$48,000 (based on the exchange rate assumed in the hypothetical scenario) for the Group each month until contract expiry.

2. Contract 2 will expire on 25 February 2015. Under the hypothetical scenario, the bank will have to pay the Group a fixed amount of RMB33,000 on roughly a monthly basis, representing a potential gain of approximately HK$44,000 (based on the exchange rate assumed in the hypothetical scenario) for the Group each month until contract expiry.

3. Proposed contract with Cathay Bank will expire on or before 31 December 2014. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$5,000,000 (or approximately HK$39,000,000) while the bank will at the same time pay the Group a fixed sum of RMB31,250,000 (or approximately HK$41,652,000 based on the exchange rate assumed in the hypothetical scenario) on an one-off basis, representing a net potential gain of approximately HK$2,652,000 to be incurred by the Group.

As illustrated in the above table, based on the aforementioned assumptions, the total potential gain of the Group under the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts throughout their remaining contract periods will be approximately HK$320,000 and HK$2,652,000 respectively as at 31 October 2014. However, it should be noted that the above analysis does not take into account the potential increase in operating costs of the Group as a result of the assumed 5% appreciation of RMB against USD. Based on the Group's operating costs denominated in RMB for the year ended 31 December 2013 of approximately HK$115,047,000 and assuming that all other variables of the operating costs denominated in RMB remain unchanged and the exchange rate of US$:HK$ holds constant at US$1:HK$7.8, a 5% appreciation of RMB will result in an increase in the Group's operating costs by approximately HK$8,191,000. The potential gain of the Group from the contracts would offset approximately 36.3% of the increase in operating cost due to the appreciation of RMB against USD. Therefore, under this scenario, the net effect to the Group's operating costs would be a net increase of approximately HK$5,219,000.

Assuming an immediate appreciation of 10% of RMB against USD

The following table illustrates the Group's potential gain subsequent to 31 October 2014 in respect of the proposed foreign exchange structured forward contracts assuming that there will be an immediate appreciation of 10% of RMB against USD on 31 October 2014 compared to the exchange rate of US$1:RMB6.16 as at the Latest Practicable Date and the exchange rate then hold constant throughout the relevant contract periods (while assuming the exchange rate of US$:HK$ will hold constant at US$1: HK$7.8):

	Subsequent to 31 October 2014 and up to 31 December 2014	**Year ending 31 December 2015**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Potential gains incurred by the Group			
— Proposed contract/contract with Cathay Bank *(note 3)*	4,966	—	4,966
— Contract 1 *(note 1)*	101	51	152
— Contract 2 *(note 2)*	93	93	186
Subtotal	194	144	338
Total	5,160	144	5,304

Notes:

1. Contract 1 will expire on 7 January 2015. Under the hypothetical scenario, the bank will have to pay the Group a fixed amount of RMB36,000 on roughly a monthly basis, representing a potential gain of approximately HK$51,000 (based on the exchange rate assumed in the hypothetical scenario) for the Group each month until contract expiry.

2. Contract 2 will expire on 25 February 2015. Under the hypothetical scenario, the bank will have to pay the Group a fixed amount of RMB33,000 on roughly a monthly basis, representing a potential gain of approximately HK$46,000 (based on the exchange rate assumed in the hypothetical scenario) for the Group each month until contract expiry.

3. Proposed contract with Cathay Bank will expire on or before 31 December 2014. Under the hypothetical scenario, the Group will have to pay the bank a fixed amount of US$5,000,000 (or approximately HK$39,000,000) while the bank will at the same time pay the Group a fixed sum of RMB31,250,000 (or approximately HK$43,966,000 based on the exchange rate assumed in the hypothetical scenario) on an one-off basis, representing a net potential gain of approximately HK$4,966,000 to be incurred by the Group.

As illustrated in the above table, based on the aforementioned assumptions, the total potential gain of the Group under the 2 existing foreign exchange structured forward contracts and the FX Forward Contracts throughout their remaining contract periods will be approximately HK$338,000 and HK$4,966,000 respectively as at 31 October 2014. However, it should be noted that the above analysis does not take into account the potential increase in operating costs of the Group as a result of the assumed 10% appreciation of RMB against USD. Based on the Group's operating costs denominated in RMB for the year ended 31 December 2013 of approximately HK$115,047,000 and assuming that all other variables of the operating costs denominated in RMB remain unchanged and the exchange rate of US$:HK$ holds constant at US$1:HK$7.8, a 10% appreciation of RMB will result in an increase in the Group's operating costs by approximately HK$16,103,000. The potential gain of the Group from the contracts would offset approximately 32.9% of the increase in operating cost due to the appreciation of RMB against USD. Therefore, under this scenario, the net effect to the Group's operating costs would be a net increase of approximately HK$10,799,000.

The purpose of hedging against the currency risk is to lock up the profit margin to a certain extent. Hedging, due to its nature, will inevitably result in the Group's potential increase in operating costs arising from the appreciation of RMB against USD being fully or partially offset by the potential gain from the hedging instrument, and the Group's potential decrease in operating costs arising from the depreciation of RMB against USD being fully or partially offset by the potential loss from the hedging instrument, thereby resulting in a relatively stable profit margin to the extent possible.

According to the quantitative analysis illustrated above, when the RMB appreciates against USD by 5% and 10%, the potential gain from the foreign exchange structured forward contracts and the FX Forward Contracts would offset approximately 36.3% and 32.9% of the increment of operating costs respectively, while Group's gain as a result of the potential decrease in its operating costs from the depreciation of RMB against USD would offset the loss of the contracts by 196.6% and 111.7% respectively. The foreign exchange structured forward contracts and the FX Forward Contracts will all expire before 31 December 2015.

Unlike the existing foreign exchange structured forward contracts which have an asymmetric gain/loss structure, the FX Forward Contracts, which is mainly for hedging against the appreciation of RMB against USD, have symmetric gain/loss structures. Hedging against the currency risk is crucial for the Group's operation. If the Group ceases to enter into foreign exchange contracts, the Group might experience a decrease in profit margin if RMB appreciates against USD, as the increase in operating costs due to the appreciation cannot be set off by the gain from such contracts. Entering into the FX Forward Contracts induces stability to the profit margin of the Group; in contrast, exposure to currency risk would induce uncertainty to the profit margin and the overall performance of the Group.

The Group has taken into account the fact that the Group may incur loss from the FX Forward Contracts when RMB depreciates against USD, but taking into account that (i) such contracts do not require any upfront purchase cost or cash outlay; (ii) the foreign exchange structured contracts and FX Forward Contracts are capable of providing the hedging of the risk of the appreciation of RMB against USD as illustrated in the above analysis and therefore can serve the purpose of stabilizing the Group's profit margin against the potential fluctuation of the exchange rate of RMB/USD such that any potential increase in the Group's operating costs as a result of the potential appreciation of RMB against USD can be offset by the potential gains from the FX Forward Contracts while any potential loss from the FX Forward Contracts as a result of any potential depreciation of RMB against USD can be offset by the potential decrease in the Group's operating costs to the extent illustrated in the above analysis; (iii) the percentage fluctuation in RMB against USD did not exceed 5% per annum during the three years ended 31 December 2013; (iv) the Group has established policies to monitor its hedging activities; and (v) the downside risk is considered acceptable as the exposure is comparable to the Group's expected decrease in operating costs denominated in RMB as illustrated in the above analysis, the Directors are of the view that the entering into of the FX Forward Contracts can fulfil the Group's operational needs of the Group therefore it is in the interest of the Group and the Group's shareholders as a whole.

It should be emphasized that the calculations in the above scenarios have included the effects of the existing foreign exchange structured forward contracts, which are different from the FX Forward Contracts contemplated in this circular. The Group currently has no intention to enter into foreign exchange structured forward contracts that are of similar nature to its existing structured contracts and has no intention to renew or extend its existing structured contracts. For the benefits of entering into the FX Forward Contracts without considering the effect of the existing structured contracts, please refer to the paragraph headed "Reasons for entering into the FX Forward Contracts" in this circular.

POLICIES FOR APPROVAL AND MONITORING OF HEDING ACTIVITIES

The Group's entering into of the FX Forward Contracts will be subject to approval by the Shareholders in the EGM, while Mr. Tien, Mr. Gozashti and their respective associates shall abstain from voting on the relevant resolution(s).

The Group's chief financial officer will be responsible for the on-going monitoring of the Group's exposure under the existing foreign exchange structured forward contracts. The Group's in-house accountants will calculate the Group's total exposure under FX Forward Contracts based on the assumption of a 5% depreciation of RMB against USD. As disclosed in the Prospectus, the maximum annual percentage fluctuation in RMB against USD was approximately 4.7% (appreciation of RMB against USD) during the two years ended 31 December 2012. As such, the Directors consider that the assumption of an immediate 5% depreciation of RMB against USD is considered appropriate for the calculation of the Group's total exposure under FX Forward Contracts. The Group's chief financial officer will review such calculation and assess whether the risk exposure is acceptable. The maximum exposure allowed (assuming an immediate 5% depreciation of RMB against USD), after offsetting the potential estimated decrease in operating costs of the Group as a result of the assumed depreciation of RMB against USD, is currently set at HK$3,500,000, representing approximately 25.9% of the Group's profit for the year ended 31 December 2013. If such maximum exposure level is reached, the Group will consider requesting for early termination of the existing foreign structured forward contracts.

The terms of the existing foreign structured forward contracts do not contain any early termination clause and do not expressly allow or forbid early termination. Based on the Group's past experience with the relevant banks, early termination was allowed subject to a one-off settlement that correspond to the mark-to-market gain or loss in respect of the contract upon early termination based on the bank's calculation and the bank's own winding-off procedures in the open markets (i.e., the one-off settlement can be payment by the bank to the Group or payment by the Group to the bank subject to the then market condition).

When considering requesting for early termination of the existing foreign structured forward contracts the Group will take into account (i) the amount of termination costs, which is the one-off mark-to-market gain or loss in respect of the contracts upon early termination as calculated by the banks and (ii) the Group's expected decrease in operating costs (based on the operations of the Group, in particular, the expected amount of sales denominated in USD and the expected amount of costs denominated in RMB at the time when early termination is contemplated in the future) as a result of the actual depreciation of RMB against USD leading to the aforementioned maximum exposure level being reached. The Group has inquired with the relevant banks regarding the calculations of the mark-to-market gain or loss in respect of the contracts upon early termination but the relevant banks refused to disclose such information to the Group

Accounting treatments on the FX Forward Contracts

For accounting purpose, the FX Forward Contracts are stated at fair value in the combined statements of financial position of the Group, and fluctuations of the exchange rates of RMB/US$ will result in fair value gain/loss of derivative financial instruments to be recognised in the combined statements of comprehensive income of the Group. In addition, the gain or loss resulted from the cash inflows from the banks to the Group and/or cash outflows from the Group to the bank will be recognised in fair value gain/loss of derivative financial instruments, and will then be reflected in the combined statements of comprehensive income of the Group.

REASONS FOR ENTERING INTO THE FX FORWARD CONTRACTS

The following analysis illustrates how the FX Forward Contracts are capable of stabilizing the Group's profit margin. It should be noted that the following analysis is for illustrative purpose only based on hypothetical scenarios.

If the Group does not enter into any hedging arrangement, its revenue minus operating costs denominated in RMB in 2013 was as follows:

	Actual figures	**Assuming there had been hypothetical additional appreciation/(depreciation) of RMB against USD that had taken place in 2013 by:**			
		+5%	**+10%**	**-5%**	**-10%**
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*
All figures presented in RMB'000					
Revenue	284,863	270,623	256,379	299,109	313,353
Costs denominated in RMB	(90,713)	(90,713)	(90,713)	(90,713)	(90,713)
Revenue minus costs denominated in RMB	194,150	179,910	165,666	208,396	222,640
All figures presented in HK$'000					
Revenue	360,707	360,707	360,707	360,707	360,707
Costs denominated in RMB	(115,047)	(120,908)	(127,624)	(109,395)	(104,419)
Revenue minus costs denominated in RMB	245,660	239,799	233,083	251,312	256,288

Notes:

1. The actual figures was presented in RMB'000 based on the assumption that the exchange rate applicable to the Group's transactions in 2013 was on average USD 1 : RMB 6.16 for the purpose of this analysis.

2. It is assumed that due to hypothetical appreciation of RMB against USD that had taken place in 2013, the exchange rate applicable to the Group's transactions in 2013 on average became approximately USD 1 : RMB 5.85 for the purpose of this analysis.

3. It is assumed that due to hypothetical appreciation of RMB against USD that had taken place in 2013, the exchange rate applicable to the Group's transactions in 2013 on average became approximately USD 1 : RMB 5.54 for the purpose of this analysis.

4. It is assumed that due to hypothetical depreciation of RMB against USD that had taken place in 2013, the exchange rate applicable to the Group's transactions in 2013 on average became approximately USD 1 : RMB 6.47 for the purpose of this analysis.

5. It is assumed that due to hypothetical depreciation of RMB against USD that had taken place in 2013, the exchange rate applicable to the Group's transactions in 2013 on average became approximately USD 1 : RMB 6.78 for the purpose of this analysis.

If, before the hypothetical additional fluctuation in RMB against USD, the Group had entered into the FX Forward Contracts in 2013 up to the maximum contract sum of US$5 million, then the Group's revenue minus costs denominated in RMB, taking into account the effect of the FX Forward Contracts, would have become:

	Actual figures	Assuming there had been hypothetical additional appreciation/(depreciation) of RMB against USD that had taken place in 2013 by:			
		+5%	+10%	-5%	-10%
All figures presented in RMB'000					
Revenue	284,863	270,623	256,379	299,109	313,353
Costs denominated in RMB	(90,713)	(90,713)	(90,713)	(90,713)	(90,713)
Approximate gain/(loss) from the FX Forward Contracts	—	1,540	3,080	(1,540)	(3,080)
Revenue minus costs denominated in RMB, taking into account the effect of the FX Forward Contracts	194,150	181,450	168,746	206,856	219,560
All figures presented in HK$'000					
Revenue	360,707	360,707	360,707	360,707	360,707
Costs denominated in RMB	(115,047)	(120,908)	127,624	(109,395)	(104,419)
Approximate gain/(loss) from the FX Forward Contracts	—	2,053	4,333	(1,857)	(3,545)
Revenue minus costs denominated in RMB, taking into account the effect of the FX Forward Contracts	245,660	241,852	237,416	249,455	252,743

As illustrated in the above tables, entering into the FX Forward Contracts are capable of stabilizing the Group's profit margin and are therefore of benefit to the Group.

Taking into account that (i) the Group has a continuous needs to hedge against the currency risk arising from its operation; and (ii) one of the foreign exchange structure forward contracts expired on 29 July 2014, which has lowered the hedging coverage ratio, the Directors are of the view that it is appropriate and reasonable for the Group to enter into the FX Forward Contracts.

The Directors consider that the FX Forward Contracts are appropriate financial instruments for the Group in hedging its currency risks because such contracts are capable of providing the hedging of the risk of the appreciation of RMB against USD and do not require any upfront purchase cost or cash outlay.

Analysis on hedging coverage ratio

The following table illustrates the historical hedging coverage ratio.

	Year ended 31 December 2012 *HK$'000*	**Year ended 31 December 2013** *HK$'000*
Operating costs denominated in RMB	133,490	115,047
Estimated increase in operating costs as a result of appreciation of RMB against USD (A)	3,746	1,582
Realised gain from the structured forward contracts (B)	2,323	1,413
Hedging coverage (B/A)	62.0%	89.3%

Note:

The estimated increase in operating costs as a result of appreciation of RMB was determined with reference to the following estimated exchange rates of RMB to HK$ based on the historical exchange rates data:

	Year ended 31 December 2011	**Year ended 31 December 2012**	**Year ended 31 December 2013**
Average exchange rate of RMB to HK$ used for the estimation	0.8304	0.8071	0.7960
Appreciation of RMB against HK$		2.8%	1.38%

Assuming that the operating costs denominated in RMB and the appreciation of RMB against USD remain the same in 2014 as compared to that of 2013, the retirement of one of the foreign exchange structured forward contracts on 29 July 2014 has reduced the expected gain from the structured forward contracts, and hence the hedging coverage ratio for 2014 would fall below 89.3%.

Based on the above, the Directors are of the view that the retirement of one of the foreign exchange structured forward contracts has reduced the effectiveness for the Group to hedge against the currency risks faced by the Group.

RECOMMENDATION

The FX Forward Contracts have not been entered into. The Group intends to seek at the EGM Shareholders' prior approval for the entering into of the FX Forward Contracts with the principal terms as mentioned above.

Mr. Tien, Mr. Gozashti and their respective associates shall abstain from voting on the resolution to be proposed at the EGM.

The Directors consider that the proposed FX Forward Contracts as set out in the notice of the EGM is in the interests of the Company and the Shareholders as a whole. Accordingly the Directors recommend all Shareholders to vote in favour of the resolution to be proposed at the EGM.

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 issuer. 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 document misleading.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain of the percentage ratios is more than 5% but all is less than 25%, the proposed FX Forward Contracts constitutes discloseable transaction for the Company under chapter 19 of the GEM Listing Rules and is therefore subject to reporting and announcement requirements under the GEM Listing Rules.

EGM

A notice convening the EGM to be held at 14th Floor, Park Building, 476 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Thursday, 16 October 2014 at 3:00 p.m. is set out on pages 23 to 24 of this circular.

Mr. Tien, Mr. Gozashti and their respective associates shall abstain from voting on the resolution to be proposed at the EGM. Mr. Tien, Mr. Gozashti and their respective associates shall abstain from voting on the relevant resolution because it has been stated in the Prospectus that they shall abstain from voting. As Mr. Tien, Mr. Gozashti and their respective associates together hold 75% of the issued Shares, if they do not abstain from voting and if they vote for the relevant resolution at the EGM, it would not be meaningful for Independent Shareholders to attend the EGM or to be given the opportunity to consider the merits of the FX Forward Contracts.

Regardless of your ability to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Your faithfully,
By Order of the Board
Runway Global Holdings Company Limited
Hubert Tien
Chairman

RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
時尚環球控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8309)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Runway Global Holdings Company Limited (the "**Company**") will be held at 14th Floor, Park Building, 476 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Thursday, 16 October 2014 at 3:00 p.m. the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**

(a) the Directors be and are hereby authorised to, for and on behalf of the Company, enter into the FX Forward Contracts (as hereinafter defined) during the Relevant Period (as hereinafter defined);

(b) the Directors be and are hereby authorised to, for and on behalf of the Company, execute all such documents, instruments and agreements and do all such acts or things as the Directors may consider necessary, appropriate, desirable or expedient to give effect to the FX Forward Contracts; and

(c) for the purpose of this resolution:

"**FX Forward Contracts**" means, collectively, a contract or a set of contracts proposed to be entered into between the Company (or a subsidiary of the Company as the Company may direct) and Cathay Bank as mentioned in the Company's circular (the "**Circular**") dated 29 September 2014 (a copy of which has been produced to the meeting and marked "A" and signed by the chairman of the meeting for identification purpose).

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) 31 October 2014; or

(ii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting."

By Order of the Board
Runway Global Holdings Company Limited
Hubert Tien
Chairman

Hong Kong, 29 September 2014

Registered office:
Cricket Square,
Hutchins Drive,
P.O. Box 2681
Grand Cayman, KY-1-1111,
Cayman Islands

Principal place of business in Hong Kong:
14th Floor, Park Building
476 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend in his stead. A proxy need not be a member of the Company.

2. A proxy form of the Meeting is enclosed. If the appointer is a corporation, the proxy form must be made under its common seal or under the hand of an officer or attorney duly authorised on its behalf.

3. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such holders be present at the Meeting 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 share shall alone be entitled to vote in respect thereof.

4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

5. Completion and delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.