

**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 **China Wood Optimization (Holding) Limited** (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**China Wood Optimization (Holding) Limited**

**中國優材（控股）有限公司**

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

**(Stock Code: 8099)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS,  
AMENDMENTS TO THE ARTICLES AND  
ADOPTION OF THE NEW MEMORANDUM AND ARTICLES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) to be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 11 May 2016, at 4:00 p.m. is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the enclosed 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, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong with effect from 5 April 2016) as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

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

This circular together with a form of proxy will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.chinawood.com.hk>.

29 March 2016

## **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.**

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 11 May 2016, at 4:00 p.m.
“AGM Notice”	the notice convening the AGM set out on pages 13 to 17 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2015
“Articles”	the amended and restated articles of association of the Company, as amended from time to time
“close associate(s)”	has the same meaning as defined in the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	China Wood Optimization (Holding) Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“core connected person(s)”	has the same meaning as defined in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“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 PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to exercise all powers of the Company to allot, issue or otherwise deal with Shares of the Company as set out in resolution 4 of the AGM Notice
“Latest Practicable Date”	22 March 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

## DEFINITIONS

“Memorandum”	the amended and restated memorandum of association of the Company, as amended from time to time
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to exercise all powers of the Company to repurchase Shares of the Company as set out in resolution 5 of the AGM Notice
“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
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 20 December 2013, under which eligible participants, among others, may be granted a right to subscribe for Shares under the discretion of the Board
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



**China Wood Optimization (Holding) Limited**

**中國優材(控股)有限公司**

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

**(Stock Code: 8099)**

*Executive Directors:*

Ms. Yim Tsun (*Chairlady*)

Mr. Li Li (*Chief Executive Officer*)

*Independent non-executive Directors:*

Mr. Zhang Dali

Mr. Pu Junwen

Mr. Lau Ying Kit

*Registered office:*

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

*Principal place of business*

*in Hong Kong:*

Room 2204, 22/F

Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

29 March 2016

*To the Shareholders,*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS,  
AMENDMENTS TO THE ARTICLES AND  
ADOPTION OF THE NEW MEMORANDUM AND ARTICLES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding (i) the proposed renewal of the Issue Mandate, Repurchase Mandate and the extension of the Issue Mandate; (ii) the proposed re-election of the Directors; (iii) the proposed re-appointment of auditors of the Company; and (iv) the proposed amendments to the Articles and adoption of the new Memorandum and Articles and to seek your approval of the resolutions relating to these matters at the AGM.

## **LETTER FROM THE BOARD**

### **ISSUE MANDATE**

At the AGM of the Company held on 11 May 2015, a general mandate was granted to the Directors to issue new Shares. Such mandate will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, details of which are set out in ordinary resolution no.4 of the AGM Notice. The Shares of the Company which may be issued and allotted pursuant to the Issue Mandate is limited to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate. On the basis that 1,000,000,000 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate (without being extended by the number of Shares (if any) repurchased by the Company under the Repurchase Mandate) could result in up to 200,000,000 Shares being issued and allotted by the Company. The Issue Mandate will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **REPURCHASE MANDATE**

At the AGM of the Company, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no.5 of the AGM Notice. The Shares of the Company which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the resolution approving the Repurchase Mandate. The Repurchase Mandate will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement as required under the GEM Listing Rules, in particular Rule 13.08, giving certain information to the Shareholders regarding the Repurchase Mandate to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate, is set out in the Appendix I hereto.

## **LETTER FROM THE BOARD**

### **EXTEND GENERAL MANDATE TO ISSUE SHARES**

Subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue as at the date of passing the resolution for approving the Issue Mandate, details of which are set out in ordinary resolution no.6 of the AGM Notice.

### **RE-ELECTION OF THE DIRECTORS**

As at the Latest Practicable Date, the executive Directors are Ms. Yim Tsun and Mr. Li Li and the independent non-executive Directors are Mr. Zhang Dali, Mr. Pu Junwen and Mr. Lau Ying Kit.

Pursuant to article 108(a) of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Zhang Dali and Mr. Pu Junwen, being the Directors to retire in rotation, will be eligible to offer themselves for re-election at the AGM.

The Board, upon the recommendation of the nomination committee of the Company, has proposed the re-election of Mr. Zhang Dali and Mr. Pu Junwen as the Directors. Particulars of the Directors proposed to be re-elected in the AGM are set out in Appendix II of this circular.

### **RE-APPOINTMENT OF THE AUDITORS**

KPMG will retire as the auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board proposed to re-appoint KPMG as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.



## LETTER FROM THE BOARD

### AMENDMENTS TO THE ARTICLES AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES

The Board proposes to make certain amendments to the Articles and to adopt a new set of Memorandum and Articles in substitution for the existing Memorandum and Articles for the purpose of, among others, conforming to the latest GEM Listing Rules. The new set of Memorandum and Articles will contain the following proposed amendments to the Articles:

- (a) deleting number “32” in the existing definition of “**Companies Ordinance**” under **Article 1** of the Articles and replacing it with number “622”;
- (b) deleting number “2” in the existing definition of “**Holding Company**” under **Article 1** of the Articles and replacing it with number “13”;
- (c) deleting the existing definition of “**Listing Rules**” under **Article 1** of the Articles:

““Listing Rules” shall mean the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time);”

to its entirety and replacing with the following new definition:

““Listing Rules” shall mean the rules of the stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company (as modified from time to time);”

- (d) deleting number “2” in the existing definition of “**Subsidiary**” under **Article 1** of the Articles and replacing it with number “15”; and
- (e) deleting the words “Section 157H of” in Article 104(b) of the Articles.

Save for the above proposed amendments to the Memorandum and Articles, other provisions in the Memorandum and Articles remain unchanged.

The proposed adoption of a new set of Memorandum and Articles is subject to the approval of Shareholders by way of a special resolution at the AGM.

### ANNUAL GENERAL MEETING

The notice convening the AGM at which ordinary resolutions will be proposed to approve the Issue Mandate, the Repurchase Mandate, and the extension of the Issue Mandate, the re-election of Directors and the re-appointment of auditors of the Company, and special resolution will be proposed to approve the adoption of the new Memorandum and Articles referred to in this circular are set out on pages 13 to 17 of this circular. According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.

## LETTER FROM THE BOARD

### ACTIONS TO BE TAKEN

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016), in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

### RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the re-election of Directors, re-appointment of auditors, and the amendments to the Articles and adoption of a new set of Memorandum and Articles referred to in this circular are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the AGM.

### GENERAL INFORMATION

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

### MISCELLANEOUS

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

Yours faithfully,  
On behalf of the Board  
**China Wood Optimization (Holding) Limited**  
**Yim Tsun**  
*Chairlady*

*This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.*

## **1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

## **2. EXERCISE OF THE REPURCHASE MANDATE**

On the basis that 1,000,000,000 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 100,000,000 Shares being repurchased by the Company during the period from the passing of resolution no.5 of the AGM Notice up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking, varying and renewing the Repurchase Mandate, whichever occurs first.

## **3. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Repurchases of shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

## **4. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law, other applicable laws of the Cayman Islands and the GEM Listing Rules. A listed company may not repurchase its own securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2015, being the date of its latest published audited financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## **5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of the Cayman Islands.

## **6. INTENTION TO SELL SHARES**

None of the Directors and, to the best of their knowledge having made all reasonable enquiries, none of their respective close associates (as defined in the GEM Listing Rules), have any present intention, in the event that the proposal on the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

## **7. TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

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

As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by, the Directors, Brilliant Plan Holdings Limited was interested in approximately 67.32% of the issued share capital of the Company. Brilliant Plan Holdings Limited is a controlled corporation of Ms. Yim Tsun, the Chairlady of the Company.

Assuming that Brilliant Plan Holdings Limited will not dispose of its interests in the Shares nor will it acquire additional Shares, if the Repurchase Mandate was exercised in full, the percentage shareholding of Brilliant Plan Holdings Limited would be increased to approximately 74.81% of the issued share capital of the Company.

On the basis of the shareholding interests of Brilliant Plan Holdings Limited in the Company, an exercise of the Repurchase Mandate in full would not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

In the event that the Repurchase Mandate is exercised in full, the number of Shares in the hands of public would not fall below the prescribed minimum percentage of 25%.

## 8. SHARE PURCHASED BY THE COMPANY

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

## 9. CORE CONNECTED PERSON

No core connected person (as defined in the GEM Listing Rules) has notified the Company that he/it has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 10. SHARE PRICES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	Trade Prices (per share)	
	Highest HK\$	Lowest HK\$
<b>2015</b>		
March	1.50	1.28
April	1.95	1.42
May	2.23	1.90
June	2.75	2.09
July	2.85	1.95
August	2.84	2.37
September	2.82	2.34
October	2.68	2.52
November	3.36	2.50
December	3.33	2.93
<b>2016</b>		
January	3.08	2.79
February	3.04	2.70
March (up to the Latest Practicable Date)	2.97	2.85

Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Articles.

**Mr. Zhang Dali** (張達立) (“**Mr. Zhang**”), aged 57, is an independent non-executive Director of the Company, the chairman of the nomination committee and a member of the audit committee and the remuneration committee. Mr. Zhang was appointed as the independent non-executive Director on 20 December 2013. Mr. Zhang obtained his diploma in control engineering and computer science from the Harbin Institute of Technology (哈爾濱工業大學) in January 1982. He then obtained a master of science in forest operations from The University of Alberta in June 1989, and a doctoral degree from the University of Wisconsin-Madison in December 1992. Mr. Zhang has accumulated over 15 years of professional experience in forestry, wood products and paper industries. Prior to joining the Group, Mr. Zhang was the Managing Director in Asia of RISI’s, Inc. from March 2010 to February 2012 and Vice President in the Corporate Development of Norske Skog (Hebei) Paper Co., Ltd. during February 2008 to February 2010, where he was responsible for corporate development. Mr. Zhang also worked for more than 11 years with the Pöyry Management Consulting between September 1996 to February 2008, and held various positions with Pöyry offices in Singapore, New York and Shanghai, where he was responsible for business and marketing strategies.

Mr. Zhang was appointed for a term of three years commencing from 6 January 2014. He has entered into a service contract with the Company, pursuant to which he is entitled to remuneration of HK\$150,000 per annum (which was determined by the Board with reference to his past experience, and his roles and responsibilities in the Company). So far as the Board is aware, there are no other matters in relation to the proposed appointment of Mr. Zhang that need to be brought to the attention of the Shareholders.

Save as disclosed above, Mr. Zhang has not held any directorships in the past three years in any listed companies in Hong Kong or overseas. Mr. Zhang does not have any relationship with any other directors, chief executives, senior management, substantial, controlling or management shareholders of the Company or any of its subsidiaries or any of their respective associates. As at the Latest Practicable Date, he did not have any interests in the Shares within the meaning of Part XV of SFO.

Save as disclosed above, there are no other matters in relation to Mr. Zhang that need to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

**Mr. Pu Junwen** (蒲俊文) (“**Mr. Pu**”), aged 52, is an independent non-executive director of the Company, the chairman of the remuneration committee and a member of the audit committee and nomination committee. Mr. Pu was appointed as the independent non-executive Director on 20 December 2013. Mr. Pu obtained a bachelor in pulp and paper engineering from the Shaanxi University of Science and Technology(陝西科技大學, formerly known as 西北輕工業學院) in July 1986. Mr. Pu also obtained a doctoral degree in technical sciences from the Saint Petersburg State Technological University of Plant Polymers in April 1994. Prior to joining the Group, Mr. Pu was involved in academic and research work for the College of Materials Science and Technology of Beijing Forestry University(北京林業大學材料科學與技術學院) where he was a professor from January 2008 to December 2011 and he has been a

teacher in forest chemical processing engineering. Mr. Pu has expertise in research work relating to pulp technologies and usage of cellulose and its derivatives. He has also held positions in paper making or forestry-related committees.

Mr. Pu was appointed for a term of three years commencing from 6 January 2014. He has entered into an appointment letter with the Company, pursuant to which he is entitled to remuneration of HK\$150,000 per annum (which was determined by the Board with reference to his past experience, and his roles and responsibilities in the Company). So far as the Board is aware, there are no other matters in relation to the proposed appointment of Mr. Pu that need to be brought to the attention of the Shareholders.

Save as disclosed above, Mr. Pu has not held any directorships in the past three years in any listed companies in Hong Kong or overseas. Mr. Pu does not have any relationship with any other directors, chief executives, senior management, substantial, controlling or management shareholders of the Company or any of its subsidiaries or any of their respective associates. As at the Latest Practicable Date, he did not have any interests in the Shares within the meaning of Part XV of SFO.

Save as disclosed above, there are no other matters in relation to Mr. Pu that need to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

## NOTICE OF ANNUAL GENERAL MEETING



### China Wood Optimization (Holding) Limited

中國優材(控股)有限公司

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

**(Stock Code: 8099)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Wood Optimization (Holding) Limited (the “**Company**”) will be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 11 May 2016, at 4:00 p.m. for the following purposes:

1. To receive and approve the audited financial statements of the Company and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2015;
2. To re-elect retiring Directors, each a separate resolution, and to authorise the board of directors of the Company to fix the remuneration of the directors;
3. To re-appoint KPMG as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration; and

As special business, to consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions or special resolution of the Company:

### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or otherwise deal with unissued shares (the “**Shares**”) in the capital of the Company of HK\$0.01 each and to make or grant offers, agreements and options, including bonds and warrants to subscribe for Shares of the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;



## NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes or similar arrangements of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares of the Company in lieu of the whole or part of a dividend on Shares of the Company in accordance with the articles of association of the Company and other relevant regulation in force from time to time; or (iv) any issue of Shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares of the Company shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and

(bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution;

## NOTICE OF ANNUAL GENERAL MEETING

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

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares (the “**Shares**”) in the share capital of the Company of HK\$0.01 each on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” shall have the same meaning as the resolution numbered 4(d) above.”

## NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

### SPECIAL RESOLUTION

7. “**THAT** the new set of amended and restated memorandum of association and articles of association of the Company contained in the printed document, a copy of which has been produced to the meeting marked “A” and signed by the Chairlady of the meeting for the purpose of identification, be and are hereby approved and adopted as the new amended and restated memorandum of association and articles of association of the Company in substitution for the existing amended and restated memorandum of association and articles of association of the Company and the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents and make all such arrangements as they shall, in their absolute discretion, deem necessary or expedient to give effect to the foregoing.”

By order of the Board  
**China Wood Optimization (Holding) Limited**  
**Yim Tsun**  
*Chairlady*

Hong Kong, 29 March 2016

*Registered Office:*

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

*Principal Place of Business*

*in Hong Kong:*  
Room 2204, 22/F  
Harbour Centre  
25 Harbour Road  
Wanchai, Hong Kong

*Notes:*

- (1) Any member entitled to attend and vote at the meeting (the “**Meeting**”) is entitled to appoint one or more proxies (if such member is the holder of two or more shares (“**Shares**”)) to attend and to vote instead of him. A proxy need not be a member of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

- (2) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the Meeting is enclosed.
- (4) To be valid, the form of proxy in writing, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited ("**Hong Kong Branch Share Registrar**") at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or adjourned meeting.

For the purpose of determining members who are qualified for attending the Meeting, the register of members of the Company will be closed from Friday, 6 May 2016 to Wednesday, 11 May 2016 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar at the above address by no later than 4:00 p.m. on Thursday, 5 May 2016.

- (5) In relation to resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of any options (if any) which may be granted under the share option scheme of the Company or any scrip dividend scheme (if any) which may be approved by the Shareholders.
- (6) In relation to resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in appendix I to this circular.
- (7) Voting at the AGM will be taken by poll.
- (8) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at [www.chinawood.com.hk](http://www.chinawood.com.hk) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

*As at the date of this notice, the executive Directors are Ms. Yim Tsun and Mr. Li Li; and the independent non-executive Directors are Mr. Zhang Dali, Mr. Pu Junwen and Mr. Lau Ying Kit.*