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

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**If you are in doubt** as to any aspect of this circular, you should consult your 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 Baofeng Modern International Holdings Company Limited (the “**Company**”), you should at once hand this circular and the accompanying proxy form 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 the transferee.

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED**  
**寶峰時尚國際控股有限公司**

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

**(Stock Code: 1121)**

**RENEWAL OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES  
RETIREMENT OF DIRECTORS AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON  
FOR ELECTION AS A DIRECTOR AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at Gloucester Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong at 10:00 a.m. on 23 May 2012 is set out on page 15 to 18 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so desire.

23 April 2012

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## DEFINITIONS

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

“AGM”	an annual general meeting of the Company to be held at Gloucester Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on 23 May 2012, at 10:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the annual general meeting which is set out on pages 15 to 18 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 15 to 18 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	Baofeng Modern International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“connected person”	has the same meaning as defined in the Listing Rules
“Director(s)”	the directors of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares set out as resolution no. 8 in the AGM Notice
“Latest Practicable Date”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Date”	28 January 2011, being the date on which the Shares first commenced dealings on the Stock Exchange

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares set out as resolution no. 9 in the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

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LETTER FROM THE BOARD

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**BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED**

**寶峰時尚國際控股有限公司**

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

**(Stock Code: 1121)**

*Executive Directors:*

Mr. ZHENG Liuhe (*Chairman*)  
Mr. ZHANG Aiguo (*Vice-chairman*)  
Mr. CHEN Qingwei (*Chief Executive Officer*)  
Mr. ZHENG Jingdong

*Registered Office:*

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

*Non-Executive Directors:*

Mr. SZE Ching Bor  
Mr. CHEUNG Miu

*Head Office In the PRC*

Huoju Industrial Zone  
Jiangnan Town  
Licheng District  
Quanzhou City  
Fujian Province  
PRC

*Independent Non-Executive Directors:*

Professor BAI Changhong  
Mr. LEE Keung  
Ms. AN Na

*Principal Place of Business in Hong Kong*

20/F, The Pemberton  
22-26 Bonham Strand  
Sheung Wan  
Hong Kong

23 April 2012

*To the Shareholders*

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES  
RETIREMENT OF DIRECTORS AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON  
FOR ELECTION AS A DIRECTOR AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate, the proposed Repurchase Mandate and the proposed Extension Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) furnish you details of the proposed re-election of Directors; (iv) provide you with details of procedures for Shareholders to propose a person for election as a director; and (v) give you notice of the AGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

The Company's existing mandates to issue and repurchase Shares were approved by its Shareholders pursuant to an ordinary resolution duly passed at the last annual general meeting on 23 May 2011. Unless otherwise renewed, the existing mandates to issue and repurchase Shares will lapse at the conclusion of the AGM.

Ordinary resolutions will be proposed at the AGM to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with additional new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM;
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (iii) to extend to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate, subject to the passing of the aforesaid ordinary resolutions for the grant of the Issue Mandate and the Repurchase Mandate.

As at the Latest Practicable Date, a total of 995,720,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 199,144,000 Shares representing 20% of the aggregate nominal amount of the share capital of the Company as at the date of the AGM.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 99,572,000 Shares.

An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the shareholders of the Company in a general meeting prior to the next annual general meeting of the Company.

Subject to the passing of the aforesaid ordinary resolutions for the grant of the Issue Mandate and the Repurchase Mandate, the Directors have no present immediate plan to exercise the Issue Mandate or the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### RETIREMENT OF DIRECTORS AND RE-ELECTION OF RETIRING DIRECTORS

One-third of the Directors will retire from office as Directors at the AGM. As such, Mr. Zheng Liuhe, Mr. Sze Ching Bor and Mr. Cheung Miu, being eligible, offer themselves for re-election pursuant to Article 84 of the Articles. Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Article 85 of the Articles of Association provides that:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

For the purpose of the Articles of Association:

- (i) “head office” means such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
- (ii) “Member” means a duly registered holder from time to time of the shares in the capital of the Company;
- (iii) “Notice” means written notice unless otherwise specifically stated and as further defined in the Articles of Association; and
- (iv) “Registration Office” means, in respect of any class of share capital, such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

Accordingly, if any Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be lodged at the Company’s head office at Huoju Industrial Zone, Jiangnan Town, Licheng District, Quanzhou City, Fujian Province or at the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, namely (i) his/her notice of intention

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## LETTER FROM THE BOARD

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to propose a resolution at the general meeting; (ii) a notice signed by the nominated candidate of the candidate's willingness to be appointed; (iii) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders"; (iv) the candidate's written consent to the publication of his/her personal data, no later than 7 days before the AGM.

### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- a) full name and age;
- b) positions held with the Company and its subsidiaries (if any);
- c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities market in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- e) length or proposed length of service with the Company;
- f) relationships with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- g) interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or an appropriate negative statement;
- h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution at the general meeting.



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## LETTER FROM THE BOARD

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### AGM

A notice convening the AGM to be held on 23 May 2012 at 10:00 a.m. at Gloucester Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong is set out on pages 15 to 18 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein. Under Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM must be taken by poll.

The annual report incorporating the audited consolidated financial statement of the Group for the year ended 31 December 2011 and the reports of the Directors and the auditors thereon are dispatched to the Shareholders together with this circular.

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

### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate, Extension Mandate and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the AGM Notice at the AGM.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlements to attend and vote at the AGM, the transfer books and the register of members of the Company will be closed from 18 May 2012 to 23 May 2012 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 17 May 2012.

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## LETTER FROM THE BOARD

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For determining the entitlements to the proposed final dividend for the year ended 31 December 2011, the transfer books and the register of members of the Company will be closed from 29 May 2012 to 31 May 2012 (both days inclusive), during which period no transfer of shares will be effected. To ensure that shareholders are entitled to receive the distribution of final dividend to be approved at the AGM, all transfers, accompanied by the relevant share certificate, must be lodged with the Company's Hong Kong share registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 28 May 2012.

By Order of the Board  
**Baofeng Modern International Holdings Company Limited**  
**Zheng Liuhe**  
*Chairman*

This appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors in the AGM.

### **1. LISTING RULES RELATING TO REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the Company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general repurchase mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

### **2. FUNDING AND IMPACT OF REPURCHASES**

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum and Articles of the Company, the Listing Rules and the applicable laws of the Cayman Islands. Under the Cayman Islands law, any 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 authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled.

As compared with the financial position of the Company as at 31 December 2011 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

### **3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. 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 and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**4. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 995,720,000 Shares. Subject to the passing of the relevant ordinary resolutions to approve the general mandates to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 99,572,000 Shares, being 10% of the issued share capital of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or
- (iii) revocation or variation by an ordinary resolution of the shareholders of the Company in a general meeting prior to the next annual general meeting of the Company.

**5. UNDERTAKING OF THE DIRECTORS**

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 Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and Articles of the Company.

**6. EFFECT OF THE TAKEOVERS CODE**

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

As a result, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the only controlling Shareholder is Mr. Sze Ching Bor together with Best Mark International Limited and Capital Vision International Limited, two companies wholly owned by Mr. Sze. Mr. Sze, through his interest in the above named controlled corporations, owned 519,035,767 Shares (approximately 52.13% of the issued share capital of the Company). In the event that the Repurchase Mandate was exercised in full, the interest of Mr. Sze would be increased from approximately 52.13% to approximately 57.92%. On the basis of the aforesaid increase of shareholding held by Mr. Sze, the Directors are not aware of any consequences of such repurchases of Shares that

would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that results in a public shareholding of less than the minimum public float requirement of 25% of the total issued share capital of the Company.

#### **7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best knowledge and belief of the Directors having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

#### **8. SHARE REPURCHASE MADE BY THE COMPANY**

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Share Price (Per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	1.78	1.47
May	1.72	1.44
June	1.59	1.33
July	1.49	1.37
August	1.54	1.05
September	1.21	0.97
October	1.17	0.97
November	1.17	1.01
December	1.18	1.02
2012		
January	1.30	1.11
February	1.57	1.24
March	1.49	1.20
April (up to the Latest Practicable Date)	1.32	1.23

The biographical details of the Directors proposed to be retired at the conclusion of the AGM and be proposed to be re-elected at the AGM are set out as follows:

**Mr. ZHENG Liuhe (鄭六和先生), aged 74**

Mr. Zheng Liuhe, the Chairman and an executive Director, is primarily responsible for the overall strategic planning and development of our Group. He has been a Director since 21 July 2008. Mr. Zheng Liuhe has more than 10 years of experience in the slipper business in the PRC. He joined our Group in January 2000 as vice-general manager and has been the chairman of the board of Quanzhou Baofeng Shoes Co. Ltd (“Quanzhou Baofeng”), an indirectly-owned subsidiary of the Company, since 28 March 2007. He has also been a director of Baof International Limited (“Baof HK”), a wholly-owned subsidiary of the Company since 21 July 2008. Mr. Zheng Liuhe completed a course for machinery in the Mechanical and Electronics Department of Fujian University of Technology in July 1960.

Mr. Zheng Liuhe is the father of Mr. Zheng Guozhang, a member of our senior management.

In the three years preceding the Latest Practicable Date, Mr. Zheng did not hold any directorship in other listed public companies or any other major appointments. Save as disclosed, as at the Latest Practicable Date, Mr. Zheng does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Zheng has entered into a service agreement with the Company pursuant to which he agreed to act as executive Director for a fixed term of three years commencing on the Listing Date. He is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the service contract, he is entitled to a basic annual salary in a sum of HKD720,000.00, which was determined with reference to his duties, responsibilities and the results of the Group.

**Mr. SZE Ching Bor (史清波先生), aged 64**

Mr. Sze is the founder of our Group and a non-executive Director. He was appointed as a Director on 10 March 2008 and resigned on 21 July 2008. To facilitate the Listing and continued effective management of our Group afterwards, Mr. Sze has been appointed as a non-executive Director with effect from 30 June 2010. He has been responsible for the corporate strategies, planning and business development of our Group. He has also been a director of Quanzhou Baofeng since 28 March 2007 and was appointed as a director of Baof HK on 8 January 2008.

Mr. Sze, through his interest in two companies wholly owned by him, namely, Best Mark International Limited and Capital Vision International Limited, owned 519,035,767 Shares (approximately 52.13% of the issued share capital of the Company).

Mr. Sze is a relative of Mr. Zheng Jingdong, an executive Director.

Save as disclosed, as at the Latest Practicable Date, Mr. Sze does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. In the three years preceding the Latest Practicable Date, Mr. Sze did not hold any directorship in other listed public companies or any other major appointments.

Mr. Sze has entered into a service agreement with the Company pursuant to which he agreed to act as non-executive Director for a fixed term of three years commencing on the Listing Date. He is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the service contract, he is entitled to a basic annual salary in a sum of HKD201,600.00, which was determined with reference to his duties, responsibilities and the results of the Group.

**Mr. CHEUNG Miu (張渺先生), aged 42**

Mr. Cheung, a non-executive Director, has been a Director since 22 September 2008. He has more than 15 years of experience in investment, banking and business development. Mr. Cheung obtained a master degree in Business Administration from University of New South Wales in 1998 and a bachelor degree in Business Administration from The Chinese University of Hong Kong in 1992. He is currently a senior managing director of CITIC Capital Holdings Limited (“CITIC Capital”). A subsidiary of CITIC Capital manages CITIC Capital China Mezzanine Fund Limited, which own 85,325,500 Shares (approximately 8.57% of the issued share capital of the Company).

Mr. Cheung has been a non-executive director of a US-listed company, China C Game Inc. (formerly known as China Architectural Engineering, Inc.) from June 2008 to April 2011. Save as disclosed, in the three years preceding the Latest Practicable Date, Mr. Cheung did not hold any directorship in other listed public companies or any other major appointments. Save as disclosed, as at the Latest Practicable Date, Mr. Cheung does not have any other relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Cheung has entered into a service agreement with the Company pursuant to which he agreed to act as non-executive Director for a fixed term of three years commencing on the Listing Date. He is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the service contract, he is entitled to a basic annual salary in a sum of HKD201,600.00, which was determined with reference to his duties, responsibilities and the results of the Group.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.



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## NOTICE OF ANNUAL GENERAL MEETING

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### BAOFENG MODERN INTERNATIONAL HOLDINGS COMPANY LIMITED

### 寶峰時尚國際控股有限公司

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

(Stock Code: 1121)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Baofeng Modern International Holdings Company Limited (the “**Company**”) will be held on 23 May 2012 at 10:00 a.m. at Gloucester Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and reports of the directors of the Company (the “**Directors**”) and auditors of the Company for the year ended 31 December 2011.
2. To re-appoint Ernst & Young as auditors of the Company and the board of Directors (the “**Board**”) of the Company be authorised to fix their remuneration.
3. To declare the final dividend for the year ended 31 December 2011.
4. To re-elect Mr. Zheng Liuhe as an executive Director of the Company.
5. To re-elect Mr. Sze Ching Bor as a non-executive Director of the Company.
6. To re-elect Mr. Cheung Miu as a non-executive Director of the Company.
7. To authorize the board of directors of the Company to fix remuneration of the Directors of the Company.
8. “**THAT:**
  - (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares in the capital of the Company) during or after the end of the Relevant Period;

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- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for Shares in the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the Articles of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time 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 laws of the Cayman Islands or the Company’s Articles to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

9. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the 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 and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such Shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing

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the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;

- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time 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 laws of the Cayman Islands or the Company’s Articles to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

10. “**THAT** conditional upon the passing of resolutions 8 and 9 as set out in this notice convening the Meeting of which this resolution forms part, the general mandate granted to the directors of the Company pursuant to resolution 8 as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 9 as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board

**Baofeng Modern International Holdings Company Limited**

**Zheng Liuhe**

*Chairman*

Hong Kong, 23 April 2012

*As at the date of this notice, the Board comprise Mr. Zheng Liuhe, Mr. Zhang Aiguo, Mr. Chen Qingwei and Mr. Zheng Jingdong as executive Directors, and Mr. Sze Ching Bor and Mr. Cheung Miu as non-executive Directors, and Professor Bai Changhong, Mr. Lee Keung and Ms. An Na as independent non-executive Directors.*

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*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she 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 of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so desire and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 8 as set out in this notice is enclosed.
8. Details of the retiring directors proposed to be re-elected as Directors of the Company at the Meeting are set out in Appendix II to this circular.
9. A form of proxy for use at the Meeting is enclosed.