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

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

**If you have sold all or transferred** all your shares in **China Traditional Chinese Medicine Co. Limited** 中國中藥有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED**  
**中國中藥有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 570)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO BUY BACK  
ITS OWN SHARES AND TO ISSUE SHARES,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (the "AGM") of China Traditional Chinese Medicine Co. Limited 中國中藥有限公司 (the "Company") to be held at Conference Room, 1st Floor, No. 2 Rong Gui Qiao Xi Road, Shunde District, Foshan City, Guangdong Province, the People's Republic of China on Thursday, 5 June 2014 at 2:00 p.m. is set out on pages 47 to 51 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.winteamgroup.com](http://www.winteamgroup.com).

If you do not intend or are unable to attend the meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

29 April 2014

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## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be held at Conference Room, 1st Floor, No. 2 Rong Gui Qiao Xi Road, Shunde District, Foshan City, Guangdong Province, the People’s Republic of China on Thursday, 5 June 2014 at 2:00 p.m.
“AGM Notice”	means the notice convening the AGM as set out on pages 47 to 51 of this circular
“Articles of Association”	means the existing articles of association of the Company
“Board”	means the board of directors of the Company
“CNPGC”	means China National Pharmaceutical Group Corporation (中國醫藥集團總公司), a state-owned enterprise established in the PRC and the ultimate holding company of Sinopharm Group Hongkong Co., Limited
“Company”	means China Traditional Chinese Medicine Co. Limited 中國中藥有限公司, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Stock Exchange
“Directors”	means the directors of the Company
“Group”	means the Company and its subsidiaries
“Hanmax”	Hanmax Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. WANG Xiaochun
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	means 23 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“New Articles of Association”	means the new articles of association of the Company proposed to be adopted at the AGM
“New Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Old Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, which was in force immediately prior to 3 March 2014
“Ordinary Resolution(s)”	means the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC”	means the People’s Republic of China, and for the purpose of this circular excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Profit Channel”	means Profit Channel Development Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. YANG Bin
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	means share(s) of the Company with no par value
“Share Issue Mandate”	means a general mandate to the Directors to exercise the power of the Company to allot and issue Shares during the period as set out in Ordinary Resolution No. 5 up to 20% of the aggregate number of Shares in issue as at the date of the passing of the Ordinary Resolution No. 5 (subject to adjustment in the case of subdivision and consolidation of Shares)
“Share Buy-back Mandate”	means a general and unconditional mandate given to the Directors to exercise the power of the Company to buy back at any time during the period as set out in Ordinary Resolution No. 4 up to 10% of the aggregate number of Shares in issue at the date of the passing of the Ordinary Resolution No. 4 (subject to adjustment in the case of subdivision and consolidation of Shares)
“Share Registrar”	means the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	means holder(s) of the Share(s) of the Company

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## DEFINITIONS

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“SSE”	means Shanghai Stock Exchange
“Statutory Changes”	has the meaning as defined in the section titled “Adoption of New Articles of Association” in the Letter from the Board
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-backs

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LETTER FROM THE BOARD

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**CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED**  
**中國中藥有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 570)**

*Executive Directors:*

Mr. WU Xian, *Chairman*  
Mr. YANG Bin, *Managing Director*  
Mr. WANG Xiaochun

*Registered Office:*

Rooms 2801-2805,  
China Insurance Group Building,  
141 Des Voeux Road Central,  
Hong Kong.

*Non-Executive Directors:*

Mr. SHE Lulin  
Mr. LIU Cunzhou  
Mr. DONG Zenghe  
Mr. ZHAO Dongji

*Independent Non-Executive Directors:*

Mr. ZHOU Bajun  
Mr. XIE Rong  
Mr. FANG Shuting  
Mr. YU Tze Shan Hailson

29 April 2014

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO BUY BACK  
ITS OWN SHARES AND TO ISSUE SHARES,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and the information relating to (i) the re-election of Directors; (ii) the grant of Share Buy-back Mandate; (iii) the grant of the Share Issue Mandate; (iv) the extension of the Share Issue Mandate; and (v) the adoption of the New Articles of Association.

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## LETTER FROM THE BOARD

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### **2. RE-ELECTION OF DIRECTORS**

The Board currently comprises eleven Directors, of which Mr. WU Xian, Mr. YANG Bin and Mr. WANG Xiaochun are executive Directors; Mr. SHE Lulin, Mr. LIU Cunzhou, Mr. DONG Zenghe and Mr. ZHAO Dongji are non-executive Directors; and Mr. ZHOU Bajun, Mr. XIE Rong, Mr. FANG Shuting and Mr. YU Tze Shan Hailson are independent non-executive Directors.

Pursuant to Article 92 of the Articles of Association, Messrs. WANG Xiaochun and YU Tze Shan Hailson will hold office until the AGM. Pursuant to the Article 101 of the Articles of Association, Messrs. WU Xian, YANG Bin, LIU Cunzhou and XIE Rong will retire by rotation at the AGM. The retiring Directors, being eligible, offer themselves for re-election.

In compliance with the requirements of code provision E.1.1 of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules, a separate resolution will be proposed at the AGM for the re-election of each individual director whether such Director is an executive Director, non-executive Director or independent non-executive Director.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **3. GENERAL MANDATE TO BUY BACK SHARES**

An ordinary resolution was passed at the annual general meeting of the Company held on 28 May 2013 whereby a general mandate was given to the Directors to buy back Shares.

Such general mandate will lapse at the conclusion of the AGM. Therefore, Ordinary Resolution No. 4 will be proposed at the AGM to grant the Share Buy-back Mandate to the Directors representing up to 10% of the aggregate number of Shares in issue at the date of the passing of the Ordinary Resolution No. 4 (i.e. not exceeding 253,389,918 Shares based on 10% of the 2,533,899,186 Shares in issue as at the Latest Practicable Date and assuming that such issued Shares remains the same at the date of the passing of the Ordinary Resolution No. 4).

In accordance with the Listing Rules, an explanatory statement to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to approve the Share Buy-back Mandate is set out in Appendix II hereto.

### **4. GENERAL MANDATE TO ISSUE SHARES**

Ordinary resolutions were passed at the annual general meeting of the Company held on 28 May 2013 whereby a general mandate was given to the Directors to issue Shares and to extend the general mandate to issue Shares by adding to it the number of Shares bought back under the general mandate to buy back Shares granted to the Directors on 28 May 2013.

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## LETTER FROM THE BOARD

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Such general mandate will lapse at the conclusion of the AGM. Therefore, Ordinary Resolution No. 5 will be proposed at the AGM to grant to the Directors the Share Issue Mandate representing up to 20% of the aggregate number of Shares in issue at the date of the passing of the Ordinary Resolution No. 5 (i.e. not exceeding 506,779,837 Shares based on 20% of the 2,533,899,186 Shares in issue as at the Latest Practicable Date and assuming that such issued Shares remains the same at the date of the passing of the Ordinary Resolution No. 5) in order to ensure flexibility and discretion to the Directors to issue any Shares. In addition, Ordinary Resolution No. 6 will be proposed to extend the general mandate to issue Shares by adding to it the number of Shares bought back under the Share Buy-back Mandate.

### 5. ADOPTION OF NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 17 April 2014, whereby it was announced that the following major statutory changes (collectively, the “**Statutory Changes**”) which came into operation on 3 March 2014 may have impact on the provisions contained in the Articles of Association:–

- (a) the New Companies Ordinance has replaced the Old Companies Ordinance, and the major changes include, inter alia, abolishing the par value for shares, abolishing the memorandum of association and regarding conditions in the memorandum of association of existing companies as provisions of the articles of association, removing the power to issue warrants to bearer, removing the power to convert shares into stock, requiring the company to give reasons for declining to register a transfer of shares upon request, reducing the threshold for demanding a poll, making the keeping and use of a common seal optional, and deeming consent from members to receive corporate communications via the company’s website; and
- (b) the Old Companies Ordinance has been retitled as Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) which retains the provisions dealing with company winding-up and insolvency, disqualification of directors as well as prospectus related matters.

In order to bring the articles of association of the Company in line with the Statutory Changes, the Board proposes to make amendments to the Articles of Association including, inter alia, the following:–

- (1) inserting provisions in the former memorandum of association of the Company (the “**Memorandum**”) regarding company name and members’ limited liabilities into the articles of association of the Company (those provisions in the Memorandum having been statutorily regarded as provisions of the articles of association of the Company pursuant to section 98 of the New Companies Ordinance);
- (2) not having objects clause provisions in the articles of association of the Company but giving the Company the capacity, rights, powers and privileges of a natural person of full age;



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## LETTER FROM THE BOARD

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- (3) amending the definition of “Companies Ordinance” to make reference to the New Companies Ordinance and where appropriate, to make references to the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and deleting, adding or modifying certain definitions as appropriate;
- (4) amending the provisions relating to various ways to alter the Company’s capital in light of the abolishment of the par value of shares;
- (5) deleting references relating to “memorandum”, “authorised share capital”, “nominal value”, “par value”, “nominal amount of the shares”, “premium”, “share premium account” and “capital redemption reserve fund” or similar wordings in the Articles of Association and where applicable, replacing references to nominal value of shares with total voting rights;
- (6) broadening the disclosure of interest by Directors to include the disclosure of interest of the Directors’ “connected entity” (within the meaning given under section 486 of the New Companies Ordinance);
- (7) requiring the Board to give reasons for declining to register a share transfer if requested by the transferor or transferee;
- (8) allowing any document signed by any two Directors or any one Director and the secretary of the Company and expressed to be executed by the Company to have the effect as if such document had been executed under the Company’s common seal;
- (9) removing the Company’s power to convert any paid up Shares into stock (or vice versa);
- (10) reducing the threshold for demanding a poll such that Shareholders holding at least 5% (instead of one-tenth) of the total voting rights of all the Shareholders having the right to vote at the meeting can demand a poll; and
- (11) removing the Company’s power to issue warrants to bearer.

The Board also proposes to make certain housekeeping amendments to the Articles of Association at the same time for the purpose of bringing the articles of association of the Company in line with the Listing Rules and improving on the drafting and to correct typographical errors.

In view of the amount of amendments proposed to be made to the Articles of Association, the Board proposes that the New Articles of Association (with all proposed amendments to the Articles of Association incorporated) be adopted to replace the Articles of Association. Please refer to Appendix III of this circular for further particulars and details relating to the major changes to the Articles of Association brought about by the adoption of the New Articles of Association. A copy of the New Articles of Association showing all changes made to the Articles of Association will be available for inspection during normal

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## **LETTER FROM THE BOARD**

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business hours on any weekday (except public holidays) at the office of Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

The proposed adoption of the New Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the AGM.

### **6. ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 47 to 51 of this circular to consider the resolutions relating to, inter alia, the re-election of Directors, the grant of the Share Buy-back Mandate, the grant of the Share Issue Mandate, and the extension of the Share Issue Mandate and the adoption of the New Articles of Association.

### **7. ACTIONS TO BE TAKEN**

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.winteamgroup.com](http://www.winteamgroup.com). If you do not intend or are unable to attend the AGM and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy and return it to the Share Registrar in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

### **8. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **9. RECOMMENDATION**

The Directors believe that the re-election of Directors, the grant of the Share Buy-back Mandate, the grant of the Share Issue Mandate, the extension of the Share Issue Mandate and the adoption of the New Articles of Association are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

### **10. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information

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## LETTER FROM THE BOARD

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contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**China Traditional Chinese Medicine Co. Limited**  
中國中藥有限公司  
**WU Xian**  
*Chairman*

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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

**Mr. WU Xian**, aged 53, was appointed as an executive Director on 5 February 2013. Mr. WU is also the Chairman of the Board, the Chairman of the nomination committee of the Company and a member of the strategic committee of the Company. Mr. WU graduated from Shanxi College of Finance and Economics with bachelor's degree in economics in July 1985, and completed a master's course in business administration from Harbin University of Commerce in September 2002. Mr. WU has over 28 years of production and financial management experience in pharmaceutical and healthcare products industry. Mr. WU was previously head of the planning and development department of Harbin Pharmaceutical Group Co., Ltd., deputy plant manager of Harbin Pharmaceutical Group Co., Ltd. General Pharm. Factory and deputy general manager of Harbin Pharmaceutical Group Bioengineering Co., Ltd. from November 1997 to June 2005. He was also the director and general manager of China National Medicines Guorui Pharmaceutical Co., Ltd. from July 2005 to August 2010. He has been the director, general manager and deputy secretary to the Party Committee of China National Corp. of Traditional & Herbal Medicine since August 2010.

Save as disclosed above, Mr. WU has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. WU has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. WU does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. WU has an appointment letter with the Company for a term of two years commencing on 5 February 2013 and is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. WU is entitled to receive director's fee, basic salary, discretionary bonuses, shares options or other benefits based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2013, Mr. WU has received a remuneration (inclusive of director's fee) of RMB485,000.

Save as disclosed above, Mr. WU is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. WU required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. YANG Bin**, aged 46, was appointed as an executive Director on 6 February 2009. Mr. YANG is also the Managing Director of the Company, a member of the nomination committee and strategic committee of the Company, the director and the Chairman of a number of subsidiaries of the Company. Mr. YANG is also a director and shareholder of Profit Channel, the substantial Shareholder. Mr. YANG graduated from 中央民族大學 (Minzu University of China\*) majoring in Biochemistry. Mr. YANG engaged in research and development of new products in 佛山市醫藥總公司 (Foshan City Medical Corporation\*), and served as the Deputy General Manager of 佛山市醫藥銷售有限公司 (Foshan City Medical Sale Co., Ltd.\*), the director of 佛山市生物化學製藥廠 (Foshan City Biochemical Pharmaceutical Factory\*) and General Manager of 佛山市華衛醫藥有限公司 (Foshan City Huawei Medical Co., Ltd.\*). Mr. YANG has 20 years of experience in registration of medicines and drugs, research and development and sale of medical products. He had successfully launched a series of new products with good response from the market and enjoys high reputation in the sales market. Mr. YANG is currently the chairman and a director of Guangdong Medi-World Pharmaceutical Co., Ltd. and a director of 山東魯亞製藥有限公司 (Shandong Luya Pharmaceutical Co., Ltd.\*).

Save as disclosed above, Mr. YANG has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Company's Group.

As at the Latest Practicable Date, Mr. YANG had an interest in a total of 334,000,000 Shares, which are held as to 66,488,379 Shares by him and as to 267,511,621 Shares through his 100% interest in Profit Channel, representing approximately 13.18% of the issued Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. YANG does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. YANG has a service contract with the Company for a term of two years commencing on 27 February 2009 which will continue thereafter until terminated by either party to the service contract at six month's notice. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. YANG is entitled to receive director's fee, basic salary, discretionary bonuses, shares options or other benefits based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2013, Mr. YANG has received a remuneration (inclusive of director's fee) of RMB1,810,000.

Save as disclosed above, Mr. YANG is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. YANG required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. WANG Xiaochun**, aged 46, was appointed as an executive Director on 23 October 2013. Mr. WANG is also a member of the strategic committee of the Company and the director of a number of subsidiaries of the Company. Mr. WANG was the chairman of the board of directors and the chief executive officer of Tongjitang Chinese Medicines Company (“Tongjitang”), which was listed on the New York Stock Exchange in 2007 and subsequently privatised in 2011. He has been a director of Tongjitang Pharmaceutical (Hong Kong) Limited (a subsidiary of Tongjitang) since 2008, a director of Unisources Enterprises Limited (a subsidiary of Tongjitang) since 2005 and the chairman of the board of directors and the president of (Guizhou Tongjitang Pharmaceutical Co., Ltd.) (a subsidiary of Tongjitang) since 1997. Mr. WANG received his bachelor’s degree in law from the Southwest University of Political Science and Law in China in 1989.

Save as disclosed above, Mr. WANG has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Company’s Group.

As at the Latest Practicable Date, Mr. WANG has an indirect interest in 334,000,000 Shares through 100% interest in Hanmax, representing approximately 13.18% of the issued Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. WANG does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. WANG has an appointment letter with the Company for a term of two years commencing on 23 October 2013 and is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. WANG is entitled to receive director’s fee, basic salary, discretionary bonuses, shares options or other benefits based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2013, Mr. WANG has received a remuneration (inclusive of director’s fee) of RMB219,000.

Save as disclosed above, Mr. WANG is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. WANG required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

**Mr. LIU Cunzhou**, aged 69, was appointed as a non-executive Director on 5 February 2013. Mr. LIU is also as a member of the remuneration committee and the Chairman of strategic committee of the Company. Mr. LIU completed a master’s course in management engineering from Harbin University of Science and Technology in March 1997. Mr. LIU has over 35 years of management experience in pharmaceutical equipment, pharmaceutical and healthcare products industry. Mr. LIU is currently the chief expert of CNPGC. Mr. LIU was the head of equipment department and engineer of Harbin Pharmaceutical Factory from January 1976 to March 1983, and the deputy plant manager for production and plant manager of Harbin Pharmaceutical Factory from April 1984 to April 1989. From April 1989 to July 1997, Mr. LIU was the deputy general manager of Harbin Pharmaceutical Group Co., Ltd. and plant manager of Harbin Pharmaceutical Factory. He was the chairman and general

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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manager of Harbin Pharmaceutical Group Co., Ltd. from August 1997 to October 2004. Mr. LIU was also a director of CNPGC from December 2005 to October 2011, and had served as the chairman from August 2007 to May 2009. Mr. LIU is also a director of Jihua Group Corporation Limited and Shanghai Shyndec Pharmaceutical Co., Ltd., both of which are listed on the SSE.

Save as disclosed above, Mr. LIU has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. LIU has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. LIU does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. LIU has an appointment letter with the Company for a term of two years commencing on 5 February 2013 and is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. LIU is entitled to receive director's fee based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2013, Mr. LIU has received a director's fee of HK\$94,000.

Save as disclosed above, Mr. LIU are not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as Director and any other information in relation to Mr. LIU required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

**Mr. XIE Rong**, aged 62, was appointed as an independent non-executive Director on 5 February 2013. Mr. XIE is also the Chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company. Mr. XIE has around 44 years of working experience. He obtained a doctorate degree in economics, majoring in accounting from Shanghai University of Finance and Economics, in January 1993. He was the deputy head of the Accounting Department of Shanghai University of Finance and Economics and a partner of KPMG China (Shanghai) from September 1994 to November 1997 and from December 1997 to October 2002, respectively. Mr. XIE has been a director of SAIC Motor Corporation Limited (a company listed on the SSE) since April 2003 and was its independent director from April 2003 to June 2008. Mr. XIE was an independent non-executive director of each of China Shipping Development Company Limited (a company listed on the Stock Exchange and the SSE), China Eastern Airlines Corporation Limited (a company listed on the Stock Exchange and the SSE) and China CITIC Bank Corporation Limited (a company listed on the Stock Exchange and the SSE) from May 2003 to May 2009, from June 2003 to May 2010 and from February 2007 to October 2012, respectively. Mr. XIE has been an independent non-executive director of each of Tianjin Capital Environmental Protection Group Company Limited (a company listed on the Stock Exchange and the SSE), Shanghai Baosight Software Co. Ltd. (a company listed on the SSE), Sinopharm Group Co., Ltd. (a company listed on the Stock Exchange) and China Everbright Bank Company Limited (a company listed on the SSE) since April 2008, April

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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2010 and January 2013, respectively. Mr. XIE was the vice-president of the Shanghai National Accounting Institute from October 2002 to August 2012 and is currently a professor of the Shanghai National Accounting Institute, a member of the Master of Accounting Professional Education Guidance Committee of the State Department Degree Committee, a standing commissioner of the China Auditing Institute and a standing commissioner of the China Accounting Institute.

Save as disclosed above, Mr. XIE has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. XIE has no interest in the Shares within the meaning of Part XV of the SFO.

Mr. XIE does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. XIE has an appointment letter with the Company for a term of two years commencing on 5 February 2013 and is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. XIE is entitled to receive director's fee based on his performances and duties, profitability of the Group and the prevailing market condition. For the year ended 31 December 2013, Mr. XIE has received a director's fee of HK\$169,000.

Save as disclosed above, Mr. XIE are not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as Director and any other information in relation to Mr. XIE required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

**Mr. YU Tze Shan Hailson**, aged 57, was appointed as an independent non-executive Director on 25 November 2013. Mr. YU is also a member of the strategic committee of the remuneration committee of the Company. Upon completing the Electrical Engineering Degree in 1979, Mr. YU worked as an assistant engineer in Ampex Ferrotec Limited (安培泛達有限公司). After three years, he became the manager of equipment maintenance and testing laboratory and subsequently managed the computer engineering and system engineering team for product and system design, product development plan and the establishment of CAD center. In 1987, Mr. YU joined China International Trust and Investment Corporation Hong Kong (Holdings) Limited (中國國際信託投資(香港集團)有限公司) as a general manager of engineering research and development department. During such period, he improved the business of subsidiaries engaged in technology sector and monitored the venture capital operation in respect of the high-technology business of the U.S. company. He also made contribution to the successful listing of two subsidiaries in the U.S. and the asset trading of several subsidiaries and later became the consultant for oil development and LPG terminal project. In 1998, Mr. YU was a deputy managing director of Versitech Limited (港大科橋有限公司), a technology transfer and commercial company of the The University of Hong Kong which mainly commercializes and transfers achievements in scientific research to the business sectors. Mr. YU possesses bachelor's and master's degree in Electrical Engineering and a master of arts degree in Arbitration and Dispute Resolution. He completed the



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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Postgraduate Diploma in Investment Management and Graduate Certificates in Hong Kong Laws and Chinese Medicine. He is a fellow of Hong Kong Institution of Engineers, Engineering Council in United Kingdom, Hong Kong Institute of Arbitrators and the Institute of Arbitrators of the United Kingdom.

Save as disclosed above, Mr. YU has not held directorship in other listed companies in the past three years or any other positions with the Company and other members of the Group.

As at the Latest Practicable Date, Mr. YU has no interest in the Shares within the meaning of Part XV of the SFO.

Mr. YU does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. YU has an appointment letter with the Company for a term of two years commencing on 25 November 2013 and is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association. Mr. YU will receive director's fee based on prevailing market practice, his duties, responsibilities and contribution to the Company. For the year ended 31 December 2013, Mr. YU has received a director's fee of HK\$19,000.

Save as disclosed above, Mr. YU are not aware of any other matters that need to be brought to the attention of the Shareholders in relation to his re-election as Director and any other information in relation to Mr. YU required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

*\* For identification purpose only*

*The appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Share Buy-back Mandate and also constitutes the memorandum as required under Section 239(2) of the New Companies Ordinance.*

### **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised for the purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (a) The shares proposed to be purchased by the company are fully-paid up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) The shareholders of the company have given a specific approval or a general mandate to the directors of the company to make the purchase, by way of an ordinary resolution which complies with Rule 10.06(1)(c) of the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

The company must report the outcome of the general meeting called to consider the proposed repurchases to the Stock Exchange immediately following the meeting.

### **2. SHARES IN ISSUE**

As at the Latest Practicable Date, the issued Shares comprised 2,533,899,186 Shares.

Subject to the passing of the Ordinary Resolution No. 4 set out in the AGM Notice and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Share Buy-back Mandate to buy back up to a limit of 253,389,918 Shares.

### **3. REASON FOR BUY-BACKS**

Buy back of Shares will only be made when the Directors believe that such a buy-back will benefit the Company and its shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

#### 4. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws of Hong Kong. Any buy-backs will be made out of funds of the Company legally permitted to be utilised in this connection, being distributable profits of the Company or the proceeds of a fresh issue of shares made for such purpose.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 December 2013) in the event that the proposed buy-back of Shares was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. 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 and for the month of April 2014 up to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2013</b>		
April	3.75	3.05
May	5.04	3.22
June	4.44	3.19
July	3.85	3.39
August	3.61	2.95
September	3.36	2.66
October	3.73	2.98
November	3.52	3.06
December	3.33	3.03
<b>2014</b>		
January	3.57	3.06
February	3.90	3.10
March	3.98	3.27
April (up to the Latest Practicable Date)	3.76	3.44

## 6. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

If as a result of a share buy-back, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' 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, (i) CNPGC is interested in the aggregate of 1,178,282,907 Shares representing approximately 46.50% of the issued Shares; (ii) Mr. YANG Bin has an interest in a total of 334,000,000 Shares, which are held as to 66,488,379 Shares by him and as to 267,511,621 Shares through his 100% interest in Profit Channel, representing approximately 13.18% of the issued Shares; and (iii) Mr. WANG Xiaochun has an indirect interest in 334,000,000 Shares through 100% interest in Hanmax, representing approximately 13.18% of the issued Shares. In the event that the Share Buy-back Mandate were exercised in full, the percentage interests of CNPGC, Mr. YANG Bin and Mr. WANG Xiaochun in the issued Shares would increase to approximately 51.66%, 14.64% and 14.64% respectively of the issued Shares, assuming that the 1,178,282,907, 334,000,000 and 334,000,000 Shares held as mentioned above remain unchanged.

Since the shareholding of CNPGC already falls within the range of 30% and 50% of the issued Shares, CNPGC could be required to make a mandatory offer in respect of all the issued Shares by reason of such increase of shareholding by more than 2% within a 12 month period. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Share Buy-back Mandate. Further, such full exercise of the Share Buy-back Mandate would cause the Shares held in the hands of the public to fall below the minimum requirement to approximately 19.06% of the aggregate number of Shares in issue. The Directors will use their best endeavours to ensure that the Share Buy-back Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25% of the issued share capital of the Company. The Directors have no intention to exercise the Share Buy-back Mandate which may result in possible mandatory offer being made under the Takeovers Code or the Shares held in the hands of the public falling below the minimum requirement.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), presently intend to sell any Shares to the Company under the Share Buy-back Mandate in the event that the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Share Buy-back Mandate is approved by the Shareholders.

**7. SHARE BUY-BACK MADE BY THE COMPANY**

During the six months preceding the Latest Practicable Date, there was no buy-back of its Shares made by the Company (whether on the Stock Exchange or otherwise).

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**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

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The following are the major changes to the Articles of Association introduced by the New Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles of Association.

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
Immediately preceding Article 1A	<b><u>Table A Preliminary</u></b>
†	<del>The regulations contained in Table A in the First Schedule to the Companies Ordinance shall not apply to the Company.</del>
1A	<u>The name of the Company is “CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED 中國中藥有限公司”.</u>
1B	<u>The Company has the capacity, rights, powers and privileges of a natural person of full age and, in addition and without limit, the Company may do any act that it is permitted or required to do by these Articles or any ordinance or rule of law, and has power to acquire, hold and dispose of land.</u>
1C	<u>The liability of the Members is limited.</u>
1D	<u>The shares in the capital of the Company may be divided into different classes of shares and/or issued with such preferred, deferred or other special rights or privileges or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine. Subject to the provisions of the Companies Ordinance, the rights and privileges attached to any of the shares or classes of shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions for the time being of the these Articles.</u>
1E	<u>No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company.</u>
2	<u>“clear days” in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;</u>  <u>“the Company” or “this Company” shall mean the abovenamed Company China Traditional Chinese Medicine Co. Limited 中國中藥有限公司;</u>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>“the Companies Ordinance” or “the Ordinance” shall mean the Companies Ordinance (Chapter <del>326</del><u>22</u> of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;</p>
	<p><u>“connected entity” has the meaning given by Section 486 of the Companies Ordinance and “connected entities” shall be construed accordingly;</u></p>
	<p><del>“entitled person” shall mean an “entitled person” as defined under the Companies Ordinance;</del></p>
	<p><del>“newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary for Administration;</del></p>
	<p><del>“relevant financial reporting documents” shall mean the “relevant financial reporting documents” as defined under the Companies Ordinance;</del></p>
	<p><del>“share(s)” shall mean share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;</del></p>
3(b)	<p>The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. <del>Where share warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.</del></p>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
4	<p>If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of <del>three-fourths in nominal value of the issued</del><u>representing at least 75 per cent. of the total voting rights of holders of</u> shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall <i>mutates mutandis</i> apply, but so that the necessary quorum shall be 2 persons at least holding or representing by proxy or by authorised representative <del>one-third in nominal value of the issued</del><u>total voting rights of holders of</u> shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy or by authorised representative may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy or by authorised representative (whatever the number of shares held by him) shall be a quorum.</p>
Immediately preceding Article 5	<b><del>Shares and Increase of Capital</del></b>
5	<p>The Company may exercise any powers conferred or permitted by the Ordinance or any other ordinance from time to time to <del>acquire</del><u>buy-back</u> its own shares or to give directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company and should the Company <del>acquire</del><u>buy-back</u> its own shares neither the Company nor the Board shall be required to select the shares to be <del>acquired</del><u>bought-back</u> rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such <del>acquisition</del><u>buy-back</u> or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by The Stock Exchange of Hong Kong Limited <del>or</del>, the Securities and Futures Commission of Hong Kong or <u>any other relevant regulatory authorities</u> from time to time.</p>
6	<p><u><i>Deleted.</i></u>  <del>The Company in general meeting may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.</del></p>



**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
8	<del>The</del> Subject to the provisions of the Companies Ordinance, the Company may <del>by ordinary resolution</del> , before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, <del>and either at par or at a premium</del> , to all the existing holders of any class of shares in proportions as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of the new shares, but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the capital of the Company existing prior to the issue of the new shares.
10	Subject to the provisions of the Companies Ordinance <del>(and in particular Section 57B thereof)</del> and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, <del>but so that no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance.</del>
11	<del>The Company may in connection with the issue of any shares exercise all powers of paying commission conferred or permitted by the Companies Ordinance. The Company may at any time pay a commission not exceeding ten per cent. to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that if the commission shall be paid or payable out of capital the conditions and requirements of the Ordinance shall be observed and complied with, and the commission shall not exceed ten per cent, in each case, of the price at which the shares are issued.</del>
12	<del><i>Deleted.</i> If any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of plant.</del>
16	Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, which for this purpose may be any official seal as permitted by Section <del>73A</del> 126 of the Ordinance.

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
17	Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued <del>and the amount paid thereon</del> , and may otherwise be in such form as the Directors may from time to time prescribe.
34	Any sum which by the terms of allotment of a share is made payable upon allotment, or at any fixed date, <del>whether on account of the nominal value of the share and/or by way of premium</del> , shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified.
38	The Board may, in its absolute discretion, <del>and without assigning any reason</del> , refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.
41	If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send notice of such refusal, as required by Section <del>69-151</del> of the Ordinance. <u>If the Board refuses to register a transfer, the transferee or transferor may request a statement of the reasons for the refusal, and upon such request being made, the Board shall, within twenty-eight days after receiving the request, either send to the person who made the request a statement of the reasons or register the transfer.</u>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
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<b>Article No.</b>	<b>Provisions in the New Articles of Association (showing changes to the Articles of Association)</b>
52	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum as the Directors may prescribe, and the Directors may enforce the payment thereof if they think fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, <del>whether on account of the nominal value of the share or by way of premium,</del> shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
57	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, <del>whether on account of the nominal value of the share or by way of premium,</del> as if the same had been payable by virtue of a call duly made and notified.
Immediately preceding Article 58	<b>Stock</b>
58	<i>Deleted.</i> <del>The Company may by ordinary resolution convert any paid up shares into stock, and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.</del>
59	<i>Deleted.</i> <del>The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.</del>

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**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
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<b>Article No.</b>	<b>Provisions in the New Articles of Association (showing changes to the Articles of Association)</b>
60	<p><u>Deleted.</u> <del>The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage.</del></p>
61	<p><u>Deleted.</u> <del>All such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.</del></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
62	<p><del>(a) The Company may from time to time by ordinary resolution:-</del></p> <p><del>(i) consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any persons shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose, and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;</del></p> <p><del>(ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and</del></p> <p><del>(iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Ordinance, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to unissued or new shares.</del></p> <p><del>(b) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by law.</del></p> <p><u>(a) Subject to the provisions of the Ordinance, the Company may from time to time alter its share capital in any one or more of the ways set out below:-</u></p> <p><u>(i) increase its share capital by allotting and issuing new shares;</u></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><u>(ii) increase its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members of the Company;</u></p> <p><u>(iii) capitalise its profits, with or without allotting and issuing new shares;</u></p> <p><u>(iv) allot and issue bonus shares with or without increasing its share capital;</u></p> <p><u>(v) convert all or any of its shares into a larger or smaller number of shares;</u></p> <p><u>(vi) cancel shares:</u></p> <p style="padding-left: 40px;"><u>(1) that, at the date the resolution for cancellation is passed, have not been taken or agreed to be taken by any person;</u> <u>or</u></p> <p style="padding-left: 40px;"><u>(2) that have been forfeited.</u></p> <p><u>(b) On any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any persons shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose, and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit.</u></p> <p><u>(c) Subject to the provisions of the Ordinance, the Company may by special resolution reduce its share capital in any manner authorised and subject to any conditions prescribed by law.</u></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
63	<del>The</del> Subject to the Ordinance, the Company shall, in respect of each of its <u>financial</u> year, hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; <del>and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.</del> The annual general meeting shall be held at such time and place(s) as the Directors shall appoint.
66	An annual general meeting <del>and a meeting called for the passing of a special resolution</del> shall be called by 21 <u>clear</u> days' notice in writing at the least, and a meeting of the Company other than an annual general meeting <del>or a meeting for the passing of a special resolution</del> shall be called by 14 <u>clear</u> days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, <u>(and if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of the meeting),</u> the day and the hour of meeting and, <del>in case of special business,</del> the general nature of <u>the business to be dealt with at the meeting,</u> and <u>in the case of a notice calling an annual general meeting, shall state that business the meeting is an annual general meeting,</u> and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, and also to the auditors of the Company for the time being.
72	The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place(s), the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
73(c)	by any member or members present in person or by proxy and representing not less than <del>one-tenth</del> <u>5 per cent.</u> of the total voting rights of all the members having the right to vote at the meeting; <del>or,</del>
73(d)	<del>by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.</del>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
78	<p>Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a <del>representative</del> duly authorised <del>under Section 115 of the Ordinance</del> <u>representative</u>, shall have one vote, and on a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every fully paid share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the <del>nominal</del> amount due and paid up thereon bears to the <del>nominal value</del> <u>subscription price</u> of the share, but no amount paid or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.</p>
83	<p>Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and <u>to speak and</u> vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.</p>
85	<p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting <del>or poll (as the case may be)</del> at which the person named in such instrument proposes to vote <u>or, in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll</u>, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked. <u>In calculating the periods for delivering the instrument appointing a proxy, no account is to be taken of any part of a day that is a public holiday.</u></p>



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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
93(c)	An alternate Director shall (except when absent from Hong Kong, for which purpose he shall be deemed absent from Hong Kong on any day if he has given to the Secretary notice of his intention to be absent from Hong Kong for any period including such day and has not revoked such notice) be entitled to receive notices of meeting of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director, and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director <u>and/or</u> shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or temporarily unable to act through ill-health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
99(a)(iv)	If he <u>ceases to be a Director or</u> becomes prohibited from being a Director by reason of any provision of the Companies Ordinance <u>or any other ordinance or rule of law.</u>
100(e)	<del>Where</del> <u>Subject to Article 100(h), where</u> arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) <del>and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more.</del>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
100(g)	<p><del>A</del><u>If</u> a Director or his connected entity, who to <del>his</del> <u>the</u> Director's knowledge (<u>whether he being aware or ought reasonably to be aware</u>) is in any way, whether directly or indirectly, interested in a <u>transaction</u>, contract or arrangement or a proposed <u>transaction</u>, contract or arrangement with the Company, <u>the Director</u> shall declare the nature <u>and extent</u> of his <u>such</u> interest at the meeting of the Board at which the question of entering into the <u>transaction</u>, contract or arrangement is first taken into consideration if he knows his <u>such</u> interest then exists, or in any other case at the first meeting of the Board after he knows that he or his <u>connected entity</u> is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:–</p> <p>(i) he is a member, <del>director, executive, officer, employee or otherwise</del> of a specified company or firm and is to be regarded as interested in any <u>transaction</u>, contract or arrangement which may after the <u>effective</u> date of the notice be made with that company or firm; or</p> <p>(ii) he is <u>connected with a person specified in the notice</u> and is to be regarded as <del>interest</del><u>interested</u> in any <u>transaction</u>, contract or arrangement which may after <del>at</del><u>the</u> date of the notice be made with the specified person <del>who is connected with him</del>,</p> <p>shall be deemed to be a sufficient declaration of interest in relation to any such <u>transaction</u>, contract or arrangement; provided that <u>such notice must state the nature and extent of the Director's interest in the specified body corporate or firm or the nature of the Director's connection with the specified person and</u> no such notice shall be effective unless either it is given at a meeting of the Board <del>or</del>, or in writing and sent to the Company (<u>in which case such notice will take effect on the twenty-first day after the day on which it is sent to the Company</u>) and the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is <del>give</del><u>given</u>.</p>
100(h)	<p>A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any <u>transaction</u>, contract or arrangement or any <del>other</del> proposal in which to his knowledge he or any of his associate(s) is/are materially interested, but this prohibition shall not apply to any of the following matters namely:–</p> <p>(i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;</p>

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<b>Article No.</b>	<b>Provisions in the New Articles of Association (showing changes to the Articles of Association)</b>
	<p>(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;</p> <p>(iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or to be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p> <p>(iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;</p> <p><del>(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in 5 per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associate(s) is derived) or of the voting rights;</del></p> <p>(vi) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Director, his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to which such fund or scheme relates; or</p> <p>(vii) any contract or arrangement for the benefit of employees of the Company or any of its subsidiaries (including but not limited to an employees' share scheme, share incentive scheme and share option scheme) under which the Director or any of his associates benefits in a similar manner to the employees and which does not generally accord to any Director or any of his associates as such any privilege or advantage not accorded to the employees to whom the contract or arrangement relates.</p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
100(i)	A company shall be deemed to be a company in which a Director and/or his associate(s) <del>owns 5 per cent. or more</del> <u>or connected entities has shareholding interest</u> if and so long as (but only if so long as) he and/or his associates; <u>or connected entities</u> (either directly or indirectly) <u>is/are</u> the holders of or beneficially interested in <del>5 per cent. or more</del> of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third party through which his/their interest or that of any of his associates <u>or connected entities</u> is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) <u>or connected entities</u> as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) <u>or connected entities</u> is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) <u>or connected entities</u> is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
100(j)	<u>Deleted.</u> <del>Where a company in which a Director and/or his associate(s) hold 5 per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.</del>
118(b)	<del>Without</del> <u>Subject to the Companies Ordinance and without</u> prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Directors shall have the following powers: -  (i) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at <del>par or at</del> such <del>premium</del> <u>consideration</u> as may be agreed.  (ii) To give any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.
137(aa)	<u>Subject to the Companies Ordinance, a document signed by any two of the directors, or any of the directors and the secretary of the Company and expressed (in whatever words) to be executed by the Company has effect as if the document had been executed under the Company's common seal.</u>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
142(a)	<p><del>The Subject to the Companies Ordinance, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members holding ordinary shares in proportion to the number of ordinary shares (whether or not fully paid) held by them respectively on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.:- Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.</del></p>
Immediately preceding Article 143	<p><del><b>Subscription Rights Reserve</b></del></p>
143	<p><del><i>Deleted.</i></del></p> <p><del>(a) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:-</del></p> <p><del>(i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to subparagraph (iii) of this paragraph (a) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;</del></p>

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	<p><del>(ii) the Subscription Rights Reserve will not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law;</del></p> <p><del>(iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder credited as fully paid such additional nominal amount of shares as is equal to the difference between:-</del></p> <p><del>(aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and</del></p> <p><del>(bb) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par</del></p> <p><del>and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted and credited as fully paid to the exercising warrant holders;</del></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><del>(iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Directors shall apply any profits or reserves then or thereafter becoming available (including to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until such time no dividend or other distributions shall be paid or made on the shares. Pending such payment up and allotment the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Directors may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.</del></p> <p><del>(b) Shares allotted pursuant to the provisions of this Article shall rank <i>pari passu</i> in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.</del></p> <p><del>(c) Notwithstanding anything contained in paragraph (a) of this Article no fraction of a share shall be allotted on exercise of the subscription rights.</del></p> <p><del>(d) The provisions of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.</del></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><del>(e) A certificate or report by the Auditors as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.</del></p>
148(a)(i)(dd)	<p>the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special account <del>other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)))</del> as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or</p>
148(a)(ii)(dd)	<p>the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special account <del>other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)))</del> as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.</p>
163(a)	<p>The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company at its annual general meeting the <del>relevant financial reporting</del> documents.</p>



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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
163(b)	<p>Subject to paragraph (c) of this Article, the Company shall in accordance with the Companies Ordinance and other applicable laws, rules and regulations, deliver or send to every <del>entitled person</del> <u>member</u> a copy of the <del>relevant financial reporting</del> documents of the Company or a copy of the summary financial report in place of a copy of the <del>relevant financial reporting</del> documents from which the report is derived, not less than twenty-one days before the date of the general meeting of the Company concerned (or such other time as is permitted under the Companies Ordinance and other applicable laws, rules and regulations). Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders of any shares or debentures or to any member of, or any holder of debentures, who is not entitled to receive notices of general meetings of the Company and of whose address the Company is unaware, but any member or holder of debentures of the Company to whom a copy of these documents has not been sent, shall be entitled to receive a copy of these documents free of charge on application at the registered office of the Company.</p>
163(c)	<p>Where any <del>entitled person</del> <u>member</u> has, in accordance with the Companies Ordinance and other applicable laws, rules and regulations, agreed to his having access to the <del>relevant financial reporting</del> documents and/or the summary financial report of the Company on the Company's <del>website</del> <u>computer network</u> as mentioned in Article 168(iv) or, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an "assenting person"), the publication or making available by the Company, in accordance with the Companies Ordinance and other applicable laws, rules and regulations, on the Company's <del>website</del> <u>computer network</u> referred to above of the <del>relevant financial reporting</del> documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Companies Ordinance and other applicable laws, rules and regulations (or such other period or time as is permitted under the Companies Ordinance and other applicable laws, rules and regulations) or in such other manner, shall be treated as having sent a copy of the <del>relevant financial reporting</del> documents or a copy of the summary financial report to an assenting person in satisfaction of the Company's obligations under paragraph (b) of this Article.</p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
167	<p>Every <del>entitled person</del><u>member</u> shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any member shall fail so to do, notice may be given to such member by sending the same in any of the manners hereafter mentioned to his last known place of business or residence, or if there be none, by posting the same for one day at the registered office of the Company or by posting the same on the website of the Company or any other electronic means. <del>In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register of members and notice so given shall be sufficient notice to all the joint holders.</del> <u>Subject to the Rules Governing the Listing of Securities on the Stock Exchange and unless the Articles otherwise provides,</u></p> <p><i>(i)</i> <u>all notices, documents or other information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to any one of the joint holders in respect of such share, and such notices, documents or information so given shall be deemed to have been given to all the holders of such share; and</u></p> <p><i>(ii)</i> <u>anything to be agreed or specified by the members shall, with respect to any share to which persons are jointly entitled, be deemed to have been agreed or specified by all the holders of such share if any one of the joint holders in respect of such share has so agreed or specified (except for transfer of the share).</u></p>

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Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
168	<p>Any notice or document (including any “corporate communication” as defined in the Listing Rules), whether or not to be given or issued under the Companies Ordinance, other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon <del>any entitled person:—</del><u>member in the following manner:—</u></p> <p><del>(i) personally;</del></p> <p><del>(ii) by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered place of address;</del></p> <p><del>(iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper and for such period as the Board shall think fit to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</del></p> <p><del>(iv) by sending or transmitting it as an electronic communication to such person at any telex or facsimile transmission number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document from the Company to him to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</del></p> <p><u>(i) in hard copy form either (i) personally or (ii) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member’s address as shown in the register;</u></p>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><u>(ii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper published daily and circulating generally in Hong Kong and specified or permitted for this purpose by the Companies Ordinance and other applicable laws, rules and regulations, and for such period as the Board shall think fit to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</u></p> <p><u>(iii) in electronic form:</u></p> <p style="padding-left: 40px;"><u>(a) personally; or</u></p> <p style="padding-left: 40px;"><u>(b) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member's address as shown in the register; or</u></p> <p style="padding-left: 40px;"><u>(c) by sending or transmitting it as an electronic communication to the member at any telex or facsimile transmission number or electronic number or electronic address supplied by him to the Company for the giving of notice or document from the Company to him</u></p> <p><u>to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</u></p> <p><u>(iv) by publishing it on the Company's <del>computer network</del> website and giving to such <del>person</del> the member a notice in accordance with the Companies Ordinance, other applicable laws, rules and regulations stating that the notice or other document is available there (a "notice of publication") to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations. The notice of publication may be given to such <del>person</del> member by any of the means set out in paragraphs (i) to (ii), (iii)(c) or (iv) <del>or (vi)</del> of this Article; or</u></p> <p><u>(v) by sending or otherwise making available to such <del>person</del> member through such means to the extent permitted by, and in accordance with, the Companies Ordinance and other applicable laws, rules and regulations.</u></p>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
169(a)	<p>Any notice or other document (including any “corporate communication” as defined in the Listing Rules) given or issued by or on behalf of the Company:–</p> <p>(i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary (or other officer of the Company or such other person appointed by the Board) that the notice or document was so served or delivered shall be conclusive evidence thereof;</p> <p>(ii) if served or delivered by post, shall be deemed to have been served or delivered on the <u>second business</u> day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office. A certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and put into such post office shall be conclusive evidence thereof; <u>For the purpose of this Article, “business day” has the meaning given by section 821 of the Ordinance;</u></p> <p>(iii) if sent or transmitted as an electronic communication in accordance with Article 168(<del>iv</del>ii)(c) or through such means in accordance with Article 168 (<del>v</del>v), shall be deemed to have been served or delivered at the time of the relevant despatch or transmission. A notice or document published in the Company’s <del>computer network</del>website in accordance with Article 168(<del>v</del>v), shall be deemed to have been served or delivered on the <del>day following that on which a day after</del> <u>later of (1) the time when the member receives the notice of publication and (2) the time when the notice or document is sent to the entitled person first made available on the Company’s website.</u> In proving such service or delivery, a certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and</p>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	(iv) if served by advertisement in newspaper in accordance with Article 168(iii), shall be deemed to have been served on the day on which such notice or document is first published.
178	<p>(a) <del>Every</del>Subject to the provisions of the Companies Ordinance and so far as may be permitted by the Ordinance, every Director, manager, Secretary or other officer and every Auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (<del>including</del>except for any such liability in relation to the Auditor as is mentioned in Section <del>465</del>415 of the Companies Ordinance and except for any such liability in relation to a Director as is mentioned in Section 469(2) of the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director, manager, Secretary or other officer or Auditor shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. <del>But,</del> but this Article shall only have effect in so far as its provisions are not avoided by the <del>said</del>Section 415 and Section 468 of the Ordinance.</p> <p>(b) Subject to <del>Section 165</del>the provisions of the Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.</p>

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**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

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<b>Article No.</b>	<b>Provisions in the New Articles of Association (showing changes to the Articles of Association)</b>
179	<p data-bbox="435 342 1353 442"><del>The</del>Subject to the Ordinance, the Company shall have power to purchase and maintain for any director or other officer of the Company, or auditors of the Company:–</p> <p data-bbox="435 485 1353 825">(a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and</p> <p data-bbox="435 655 1353 825">(b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.</p> <p data-bbox="435 868 1353 966">For the purpose of this Article 179, “related company” means any company which is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.</p>

**APPENDIX III MAJOR CHANGES TO THE ARTICLES OF ASSOCIATION  
INTRODUCED BY THE NEW ARTICLES OF ASSOCIATION**

<p>The subscriber table immediately after Article 179</p>	<p><u>We, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:—</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; padding: 5px;"><b>Names, Addresses and Descriptions of Subscribers</b></th> <th style="text-align: center; padding: 5px;"><b>Number of Shares taken by each Subscriber</b></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <p>For and on behalf of FAIRWEATHER (NOMINEES) LIMITED</p> <p>(<i>Sd.</i>) Lo Tai On ..... LO TAI ON <span style="float: right;"><i>Director</i></span> 26th Floor, Jardine House, 1 Connaught Place, Hong Kong. Limited Company</p> </td> <td style="text-align: center; vertical-align: middle; padding: 5px;"><u>One</u></td> </tr> <tr> <td style="padding: 5px;"> <p>For and on behalf of FAIRWIND NOMINEES LIMITED</p> <p>(<i>Sd.</i>) Lo Tai On ..... LO TAI ON <span style="float: right;"><i>Director</i></span> 26th Floor, Jardine House, 1 Connaught Place, Hong Kong. Limited Company</p> </td> <td style="text-align: center; vertical-align: middle; padding: 5px;"><u>One</u></td> </tr> <tr> <td style="padding: 5px;"><b>Total Number of Shares Taken.....</b></td> <td style="text-align: center; vertical-align: middle; padding: 5px;"><u>Two</u></td> </tr> </tbody> </table> <p style="margin-top: 20px;">Dated the 17th day of July, 1992. WITNESS to the above signatures:—</p> <p style="text-align: right; margin-top: 20px;">(<i>Sd.</i>) Peter Y.W. Lee <i>Solicitor</i> 26th Floor, Jardine House, 1 Connaught Place, Hong Kong.</p> <p style="margin-top: 20px;"><i>(Note: The names and other particulars of subscribers and related content appearing on this page originally formed part of the Memorandum of Association of the Company before Part 3 of the Ordinance came into effect on 3rd March, 2014, and are now reproduced here for reference only.)</i></p>	<b>Names, Addresses and Descriptions of Subscribers</b>	<b>Number of Shares taken by each Subscriber</b>	<p>For and on behalf of FAIRWEATHER (NOMINEES) LIMITED</p> <p>(<i>Sd.</i>) Lo Tai On ..... LO TAI ON <span style="float: right;"><i>Director</i></span> 26th Floor, Jardine House, 1 Connaught Place, Hong Kong. Limited Company</p>	<u>One</u>	<p>For and on behalf of FAIRWIND NOMINEES LIMITED</p> <p>(<i>Sd.</i>) Lo Tai On ..... LO TAI ON <span style="float: right;"><i>Director</i></span> 26th Floor, Jardine House, 1 Connaught Place, Hong Kong. Limited Company</p>	<u>One</u>	<b>Total Number of Shares Taken.....</b>	<u>Two</u>
<b>Names, Addresses and Descriptions of Subscribers</b>	<b>Number of Shares taken by each Subscriber</b>								
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<b>Total Number of Shares Taken.....</b>	<u>Two</u>								



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## NOTICE OF ANNUAL GENERAL MEETING

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### CHINA TRADITIONAL CHINESE MEDICINE CO. LIMITED 中國中藥有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 570)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Traditional Chinese Medicine Co. Limited 中國中藥有限公司 (“the Company”) will be held at Conference Room, 1st Floor, No. 2 Rong Gui Qiao Xi Road, Shunde District, Foshan City, Guangdong Province, the People’s Republic of China, on Thursday, 5 June 2014 at 2:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements, the report of the directors and the independent auditor’s report of the Company for the year ended 31 December 2013.
2. (a) each as a separate resolution, to re-elect the following retiring directors of the Company (the “Director”):
  - (1) to re-elect Mr. WU Xian as a Director;
  - (2) to re-elect Mr. YANG Bin as a Director;
  - (3) to re-elect Mr. WANG Xiaochun as a Director;
  - (4) to re-elect Mr. LIU Cunzhou as a Director;
  - (5) to re-elect Mr. XIE Rong as a Director;
  - (6) to re-elect Mr. YU Tze Shan Hailson as a Director;
- (b) to authorize the board of directors (the “Board”) to fix the Directors’ remuneration.
3. To re-appoint KPMG as auditor and to authorize the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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To consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions and special resolution:

### ORDINARY RESOLUTIONS

4. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the Company is authorized to buy back pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares), and authority pursuant to paragraph (a) of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares) shall be limited accordingly; and
- (c) for the purposes of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Cap.622 of the Laws of Hong Kong) (the “Companies Ordinance”) to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. “THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible or exchangeable into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorize the Directors during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible or exchangeable into shares of the Company) which would or might require the exercise of such power after the expiry of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Pro-Rata Issue (as hereinafter defined); or (ii) an issue of shares in the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or (iii) an issue of shares in the Company upon the exercise of rights of subscription, conversion or exchange under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible or exchangeable into shares of the Company; or (iv) an issue of shares in the Company as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate number of shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares) and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the date on which the authority set out in this Resolution is revoked or varied by resolution of the shareholders in general meeting; and

“Pro-Rata Issue” means an offer of shares of the Company or issue of option, warrants or other securities (including bonus issues or offers) giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (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, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “**THAT** conditional upon the passing of Ordinary Resolutions Nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot shares pursuant to said Ordinary Resolution No. 5 be and is hereby extended by the addition to the aggregate number of shares of the Company bought back by the Company under the authority granted pursuant to Ordinary Resolution No. 4, provided that such extended amount shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of the passing of this Resolution (subject to adjustment in the case of subdivision and consolidation of shares).”

### SPECIAL RESOLUTION

7. “**THAT** the new articles of association of the Company (the “**New Articles of Association**”), a copy of which has been produced to this meeting marked “A” and for identification purpose signed by the Chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect after the close of this meeting and that the directors of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Articles of Association.”

By Order of the Board  
**China Traditional Chinese Medicine Co. Limited**  
中國中藥有限公司  
**WU Xian**  
*Chairman*

Hong Kong, 29 April 2014

*Notes:*

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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2. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. To ascertain the shareholders' entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 30 May 2014 to Thursday, 5 June 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 29 May 2014.
4. Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. With regard to items 2 and 4 to 7 set out in the notice, a circular giving details of the re-election of directors, general mandates to buy back shares and issue shares of the Company and adoption of new articles of association of the Company will be despatched to shareholders on 29 April 2014. The biographical details of the retiring directors of the Company who are proposed to be re-elected at the meeting are set out in Appendix I to the circular.
6. As at the date of this notice, the Board comprise 11 Directors, of which is Mr. WU Xian, Mr. YANG Bin and Mr. WANG Xiaochun are executive Directors, Mr. SHE Lulin, Mr. LIU Cunzhou, Mr. DONG Zenghe and Mr. ZHAO Dongji are non-executive Directors, Mr. ZHOU Bajun, Mr. XIE Rong, Mr. FANG Shuting and Mr. YU Tze Shan Hailson are independent non-executive Directors.