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

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

**If you have sold or transferred** all your shares in China Nuclear Industry 23 International Corporation Limited (the “Company”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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

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**中国核建**

**CHINA NUCLEAR INDUSTRY 23 INTERNATIONAL CORPORATION LIMITED**

**中國核工業二三國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 611)**

**GENERAL MANDATES TO REPURCHASE ITS OWN SHARES  
AND TO ISSUE NEW SHARES**

**AND**

**RE-ELECTION OF RETIRING DIRECTORS**

**AND**

**APPOINTMENT OF NEW AUDITORS**

**AND**

**ADOPTION OF NEW BYE-LAWS**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of China Nuclear Industry 23 International Corporation Limited to be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 28 August 2012 at 3:00 p.m. (the “Annual General Meeting”) is set out on pages 38 to 41 of this circular. A form of proxy for appointing proxy to attend the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and on the website of the Company ([www.cni23intl.com](http://www.cni23intl.com)).

Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjourned meeting thereof if they so wish, in which case the form of proxy shall be deemed to be revoked.

18 July 2012



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## **RESPONSIBILITY STATEMENT**

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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “Annual General Meeting”  | the annual general meeting of the Company to be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 28 August 2012 at 3:00 p.m. and notice of which is set out on pages 38 to 41 of this circular, or any adjournment thereof; |
| “Board”                   | the board of Directors for the time being;  |
| “Buyback Mandate”         | as defined in paragraph 2(a) of the Letter from the Board;  |
| “Bye-laws”                | the bye-laws of the Company;  |
| “Code”                    | Corporate Governance Code as set out in Appendix 14 to the Listing Rules;   |
| “Companies Act”           | Companies Act 1981 of Bermuda (as amended);   |
| “Company”                 | China Nuclear Industry 23 International Corporation Limited, a company incorporated in Bermuda with limited liability and registered in Hong Kong under Part XI of the Companies Ordinance, the Shares of which are listed on the Main Board of the Stock Exchange;                                       |
| “Director(s)”             | director(s) of the Company;   |
| “Group”                   | the Company and its subsidiaries;   |
| “HK\$”                    | Hong Kong dollars;  |
| “Hong Kong”               | The Hong Kong Special Administrative Region of the PRC;   |
| “Issuance Mandate”        | as defined in paragraph 2(b) of the Letter from the Board;  |
| “Latest Practicable Date” | 13 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange;  |

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## DEFINITIONS

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|------------------|---|
| “PRC”            | The People’s Republic of China;   |
| “SFO”            | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;   |
| “Share(s)”       | ordinary share(s) of HK\$0.10 each in the share capital of the Company;   |
| “Shareholder(s)” | holder(s) of Share(s);  |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited;  |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Repurchases issued by the Hong Kong Securities and Futures Commission; and |
| “%”              | per cent.   |

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LETTER FROM THE BOARD

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中国核建

CHINA NUCLEAR INDUSTRY 23 INTERNATIONAL CORPORATION LIMITED

中國核工業二三國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

*Non-executive Director:*

Mr. Dong Yuchuan (*Chairman*)

*Executive Directors:*

Mr. Chan Shu Kit (*Vice-Chairman*)

Mr. Lei Jian

Mr. Han Naishan

Mr. Guo Shuwei

Mr. Chan Ho Man

Mr. Chung Chi Shing

Ms. Jian Qing

Mr. Song Limin (*Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Chan Ka Ling, Edmond

Mr. Chang Nan

Dr. Dai Jinping

Mr. Yu Lei

*Registered office:*

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Hong Kong principal office:*

Suite 2801

28th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

18 July 2012

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE ITS OWN SHARES  
AND TO ISSUE NEW SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
APPOINTMENT OF NEW AUDITORS  
AND  
ADOPTION OF NEW BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the Annual General Meeting for the approval of (i) Buyback and Issuance Mandates; (ii) re-election of retiring Directors; and (iii) appointment of new auditors; and a special resolution for the approval of the adoption of a new set of Bye-laws.

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## LETTER FROM THE BOARD

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### 2. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 18 August 2011, the Company granted general mandates to the Directors enabling them to (i) repurchase Shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company; and (ii) issue and allot Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company. Such general mandates will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to grant new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of up to a maximum of 96,732,162 Shares, being 10% of the issued share capital of the Company as at the date of passing of such resolution (the “**Buyback Mandate**”) and on the assumption that no further Shares will be issued or repurchased from the Latest Practicable Date to the passing of such resolution;
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued share capital (i.e. 193,464,324 Shares) of the Company as at the date of passing of such resolution (the “**Issuance Mandate**”) and on the assumption that no further Shares will be issued or repurchased from the Latest Practicable Date to the passing of such resolution; and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolutions nos. 4 and 5 set out in the notice of the Annual General Meeting.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Buyback Mandate. An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, Mr. Dong Yuchuan is the non-executive Director. Mr. Chan Shu Kit, Mr. Lei Jian, Mr. Han Naishan, Mr. Guo Shuwei, Mr. Chan Ho Man, Mr. Chung Chi Shing, Ms. Jian Qing and Mr. Song Limin are executive Directors. Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Dr. Dai Jinping and Mr. Yu Lei are independent non-executive Directors.

In accordance with Bye-laws 86(2) and 87 of the Bye-laws, Mr. Dong Yuchuan, Mr. Chan Shu Kit, Mr. Lei Jian, Mr. Han Naishan, Mr. Guo Shuwei, Mr. Chan Ho Man, Mr. Chung Chi Shing, Ms. Jian Qing, Mr. Song Limin, Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Dr. Dai Jinping and Mr. Yu Lei would retire at the Annual General Meeting and that all the retiring Directors, being eligible, would offer themselves for re-election at the Annual General Meeting.

Mr. Chan Ka Ling, Edmond has been serving as an independent non-executive Director for more than nine years since August 1992. The Company has received from Mr. Chan the confirmation of independence pursuant to Rule 3.13 of the Listing Rules and he has not engaged in any executive management of the Group. The Directors are of the opinion that notwithstanding that Mr. Chan has been serving as an independent non-executive Director for more than nine years, he still maintains an independent view of the Company's affairs and is able to carry out his duties as an independent non-executive Director in an impartial manner, his knowledge in accounting and other relevant professional experience will also continue to be beneficial to the Board and protect the interest of the Shareholders as a whole. The Board thus recommends Mr. Chan for re-election as an independent non-executive Director at the Annual General Meeting.

### 4. APPOINTMENT OF NEW AUDITORS

On 13 July 2012, the Board announced that HLB Hodgson Impey Cheng will retire as the auditors of the Group with effect from the conclusion of the Annual General Meeting.

In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. The Board considers that it is in the interests of the Group and the Shareholders as a whole if the auditors can continue to serve the Group. Therefore, an ordinary resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Group for the subsequent financial year will be proposed for the approval by Shareholders at the Annual General Meeting.

HLB Hodgson Impey Cheng has confirmed that there are no matters in connection with its retirement that need to be brought to the attention of the Shareholders. The Board has also confirmed that there are no circumstances in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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### 5. PROPOSED ADOPTION OF NEW BYE-LAWS

The existing Bye-laws were adopted in 1993. The Company had amended the existing Bye-laws in 2007 and since then, there have been various amendments to the applicable laws and regulations, including certain amendments to the Listing Rules, the Code (which came into effect on 1 January 2012 and 1 April 2012 respectively) and the Companies Act. Accordingly, the Directors propose to adopt a set of new Bye-laws in substitution for and to the exclusion of the existing Bye-laws so as to bring the Bye-laws in line with the amendments made to the Listing Rules, the Code and the Companies Act, as well as to modernize and update the Bye-laws.

The Board will seek approval from the Shareholders by way of passing a special resolution at the Annual General Meeting to adopt a set of new Bye-laws in substitution for and to the exclusion of the existing Bye-laws. The major changes brought about by the proposed new Bye-laws are summarized as follows:

1. all resolutions at general meetings of the Company shall be decided by way of poll other than those resolutions which relate purely to procedural or administrative matters as may be permitted under the Listing Rules, which may be voted on by a show of hands;
2. (i) an annual general meeting of the Company shall be called by written notice of not less than 21 clear days and not less than 20 clear business days, (ii) any special general meeting of the Company called for the passing of a special resolution shall be called by written notice of not less than 21 clear days and not less than 10 clear business days, and (iii) all other special general meetings of the Company shall be called by written notice of not less than 14 clear days and not less than 10 clear business days;
3. no longer permits a Director to disregard 5% interest when considering whether the Director has a material interest in a transaction which would prevent him from forming part of the quorum or voting at a board meeting; and
4. subject to compliance with the rules and regulations of the designated stock exchange and any other relevant regulatory authority, allows the Company to give 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.

Details of the principal provisions of the proposed new Bye-laws are set out in Appendix III to this circular.

### 6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 38 to 41 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate and the extension of the

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## LETTER FROM THE BOARD

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Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate; the re-election of retiring Directors; and the appointment of new auditors; and a special resolution will be proposed to adopt a set of new Bye-laws.

A form of proxy for appointing proxy to attend the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and on the website of the Company ([www.cni23intl.com](http://www.cni23intl.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish, in which case the form of proxy shall be deemed to be revoked.

### 7. VOTING BY POLL

Pursuant to the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. Accordingly, each and every resolution put to the vote at the Annual General Meeting shall be taken by poll.

After the conclusion of the Annual General Meeting, the poll results will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and of the Company ([www.cni23intl.com](http://www.cni23intl.com)).

### 8. RECOMMENDATION

The Directors consider that the proposed granting of the Buyback Mandate, the granting and the extension of the Issuance Mandate, the re-election of the retiring Directors, the appointment of new auditors as well as the adoption of the proposed new Bye-laws are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board

**China Nuclear Industry 23 International Corporation Limited**

**Dong Yuchuan**

*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Buyback Mandate.

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below.

## **2. SHAREHOLDERS' APPROVAL**

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Buyback Mandate affords the Company the flexibility and ability in pursuing the best interests of the Company and its Shareholders. An exercise of the Buyback Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders.

## **4. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 967,321,620 Shares.

Subject to the passing of the resolution for the grant of the Buyback Mandate (resolution no. 4 as set out in the notice convening the Annual General Meeting contained in this circular), and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Buyback Mandate to repurchase a maximum of 96,732,162 Shares, representing 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

## **5. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Listing Rules, the laws of Bermuda and other applicable laws.

The Company is empowered by its Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose.

Taking into account the current working capital position of the Company, the Directors consider that, if the Buyback Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2012, the date to which the last audited accounts of the Company were made up. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 6. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares of the Company were traded on the Stock Exchange during each of the previous 12 months immediately preceding the Latest Practicable Date were as follows:

|  | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|--|-------------------------------|------------------------------|
| <b>2011</b>                              |                               |                              |
| July                                     | 3.10                          | 2.82                         |
| August                                   | 2.94                          | 2.30                         |
| September                                | 2.35                          | 1.71                         |
| October                                  | 2.45                          | 2.30                         |
| November                                 | 2.32                          | 1.75                         |
| December                                 | 1.95                          | 1.68                         |
| <b>2012</b>                              |                               |                              |
| January                                  | 2.27                          | 1.77                         |
| February                                 | 2.74                          | 2.19                         |
| March                                    | 2.67                          | 2.20                         |
| April                                    | 2.30                          | 2.10                         |
| May                                      | 2.21                          | 1.49                         |
| June                                     | 1.90                          | 1.59                         |
| July (up to the Latest Practicable Date) | 1.83                          | 1.61                         |

**7. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases under the Buyback Mandate in accordance with the Listing Rules and the laws of Bermuda.

**8. EFFECTS OF TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert 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 for all the Shares not already owned by such Shareholder or group of Shareholders.

To the best knowledge of the Directors, as at the Latest Practicable Date, 中國核工業建設集團公司 (transliterated as China Nuclear Engineering Group Co.) ("CNEGC"), a substantial Shareholder, is deemed to be interested in a total of 400,000,000 Shares representing approximately 41.35% of the total issued share capital of the Company. Such 400,000,000 Shares comprised of 300,000,000 Shares (representing approximately 31.01% of the total issued share capital of the Company) held by China Nuclear Industry 23 Construction (Hong Kong) Company Limited ("CNI23 HK") and 100,000,000 Shares (representing approximately 10.34% of the total issued share capital of the Company) held by China He Investment (Hong Kong) Company Limited ("China He Investment HK"). CNI23 HK is a wholly owned subsidiary of 中國核工業二三建設有限公司 (transliterated as China Nuclear Industry 23 Construction Company Limited) ("CNI23"). CNI23 is owned as to 80% by 中國核工業建設股份有限公司 (transliterated as China Nuclear Engineering Corporation Co., Ltd.) ("CNECC"). CNECC is owned as to 79.2% by CNEGC. CNEGC is also the sole shareholder of 中核投資有限公司 (Zhong He Investment Company Limited), the sole shareholder of China He Investment HK.

On the basis that no further Shares are issued or repurchased since the Latest Practicable Date up to the Annual General Meeting and in the event the Directors exercise in full the power to repurchase Share in accordance with the Buyback Mandate, the interest of CNEGC would be increased to approximately 45.95% of the total issued share capital of the Company. In the opinion of the Directors, such increase of interest may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstance, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code or result in the aggregate number of shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

**9. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell Shares to the Company under the Buyback Mandate in the event that the Buyback Mandate is approved by Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares to the Company or that they have undertaken not to sell any Shares held by them to the Company in the event that the Buyback Mandate is approved by its Shareholders.

**10. SHARES PURCHASES MADE BY THE COMPANY**

No purchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

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## APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and be eligible for re-election at the Annual General Meeting are provided below.

### **(1) Mr. Dong Yuchuan, aged 49, Chairman and a non-executive Director**

Mr. Dong Yuchuan has been appointed as a non-executive Director and the Chairman of the Company with effect from 16 December 2011. He is also the Chairman of the Nomination Committee and a member of Remuneration Committee of the Company. Mr. Dong graduated from Chongqing Architectural University (重慶建築工程學院) in 1986 with a degree in Equipment Installation. He also graduated from Harbin Engineering University (哈爾濱工業大學) in 2006 with a degree in Master of Business Administration. Mr. Dong also obtained a professional qualification in Engineering Management and is a senior engineer of researcher grade.

Mr. Dong joined China Nuclear Industry 23 Construction Co., Ltd., PRC (中國核工業二三建設有限公司) (“CNI23”), an indirect substantial Shareholder, in 1980. He has more than 30 years of experience in the nuclear power plant construction industry working within CNI23 and was responsible for construction of nuclear power plants in the People’s Republic of China (the “PRC”), including Daya Bay (大亞灣核電站), Tianwan (phase I) (田灣核電站 (一期)) and Ling’ao (phase II) (嶺澳核電站 (二期)).

Mr. Dong is currently the Vice President of China Nuclear Engineering Corporation Co., Ltd (中國核工業建設股份有限公司) (“CNECC”), the Chairman of the Board and Director General of CNI23. Mr. Dong was awarded with national prizes, such as the Working Model of China Central Government Enterprises in 2004 and the Outstanding Entrepreneur of Hebei Province in 2008.

Save as disclosed above, Mr. Dong has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Dong does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Save as disclosed above, Mr. Dong does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Dong has executed a letter of appointment with the Company for an initial term of one year commencing from 16 December 2011 and is subject to retirement and re-election at the annual general meeting of the Company pursuant to the Bye-laws. Mr. Dong is not entitled to receive any remuneration from the Company during his term of appointment with the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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**(2) Mr. Chan Shu Kit, aged 63, Vice-Chairman and an executive Director**

Mr. Chan Shu Kit is a co-founder of the Group and is an executive Director and a member of the Remuneration Committee of the Company. Mr. Chan has worked for the Group for about 29 years and has over 40 years' experience in the catering business. He is responsible for the overall corporate strategy of the Group's catering and hotel businesses and is acting as director of some of the subsidiary companies of the Company.

Mr. Chan is the father of Mr. Chan Ho Man, an executive Director. Save as disclosed above, Mr. Chan does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Chan does not hold any other directorships in any other public companies listed in Hong Kong or overseas in the last three years.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Chan has interests in 114,240,000 Shares through his wholly owned company, Hoylake Holdings Limited.

Mr. Chan has renewed a service contract with the Company on 1 April 2011, for a term of two years which is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. The annual remuneration of Mr. Chan is HK\$1,008,000 and is entitled to a discretionary year-end bonus to be determined by the remuneration committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Chan for the period from April 2011 to March 2012 was HK\$1,020,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

**(3) Mr. Lei Jian, aged 58, an executive Director**

Mr. Lei Jian has been appointed as an executive Director with effect from 27 June 2011. Mr. Lei is an electrical and mechanical engineer in the PRC and has over 40 years of experience working in many areas in the mining of nuclear industry, administering the affairs of various departments, construction management and property investment and has extensive experience in corporate management. He held managerial positions in Xinjiang Mining and Metallurgy Bureau of Nuclear Industry, Nuclear Industry Yanning Company, Administration Bureau of China Nuclear Industry Corporation and Beijing China Nuclear Construction Co., Ltd. in the PRC. Prior to joining the Company, he has been the Chairman and General Manager of Zhong He Investment Co., Ltd. (中核投資有限公司) ("Zhong He"), the sole shareholder of China He Investment (Hong Kong) Company Limited which holds 100,000,000 Shares.

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## **APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Save as disclosed above, Mr. Lei has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Lei does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Mr. Lei does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO save as disclosed above.

Mr. Lei has executed a letter of appointment with the Company for a term of three years commencing from 27 June 2012 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. Mr. Lei is not entitled to receive any remuneration from the Company during his term of appointment with the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

#### **(4) Mr. Han Naishan, aged 47, an executive Director**

Mr. Han Naishan has been appointed as an executive Director with effect from 27 June 2011. Mr. Han graduated from Tsinghua University, PRC in 1989 majoring in Forging and Stamping. Mr. Han also obtained a degree in MBA from Peking University, PRC in 2005. Mr. Han joined CNI23 since 1989 and has held various managerial positions in CNI23. Mr. Han is an experienced engineer and also has extensive experience in corporate management. Mr. Han is the senior engineer of the researcher grade with special sponsorship from the State Council. Prior to joining the Company, Mr. Han has been the Deputy Director General and Chief Engineer of CNI23. Mr. Han is also the Chairman of the Board and Director General of Nuclear Engineering Research and Design Co., Ltd. (formerly known as Nuclear Engineering Institute of Design and Research).

Save as disclosed above, Mr. Han has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Han does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Mr. Han does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO save as disclosed above.

Mr. Han has executed a letter of appointment with the Company for a term of three years commencing from 27 June 2012 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. Mr. Han is not entitled to receive any remuneration from the Company during his term of appointment with the Company.

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## **APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

### **(5) Mr. Guo Shuwei, aged 45, an executive Director**

Mr. Guo Shuwei has been appointed as an executive Director with effect from 16 December 2011. He is also acting as director of other members of the Group. Mr. Guo graduated from Sichuan Radio and TV University (四川廣播電視大學) in 1992 with a degree in Welding. He also obtained a professional qualification in Welding and is a senior engineer.

Mr. Guo joined CNI23 in 1988. He has more than 20 years of experience in the nuclear power plant construction industry working within CNI23. He also participated in the Daya Bay Nuclear Power Plant (大亞灣核電站) project in the PRC and in charge of the nuclear islands installation project of Ningde Nuclear Power Plant Units 1 and 2 in Fujian Province. Mr. Guo is currently the Deputy Director of the Nuclear Power Engineering Department of China Nuclear Engineering Group Co. (中國核工業建設集團公司) and the General Manager of the International Department of CNECC. Mr. Guo was awarded with prizes by CNI23 in 2004 and 2005 for his contribution.

Save as disclosed above, Mr. Guo has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Guo does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Save as disclosed above, Mr. Guo does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Guo has executed a letter of appointment with the Company for an initial term of one year commencing from 16 December 2011 and is subject to retirement and re-election at the annual general meeting of the Company pursuant to the Bye-laws. Mr. Guo is not entitled to receive any remuneration from the Company during his term of appointment with the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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**(6) Mr. Chan Ho Man, aged 36, an executive Director**

Mr. Chan Ho Man is an executive Director since 31 December 2004. Mr. Chan joined the Company on 1 March 2001 and has been involved in the management and operation of the Company's restaurant business since then. He is a director of other members of the Group. Mr. Chan has not held directorships in any other public companies listed in Hong Kong or overseas in the last three years.

Mr. Chan is a son of Mr. Chan Shu Kit, the Vice-Chairman of the Company and an executive Director. Save as disclosed above, Mr. Chan does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

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

Mr. Chan has renewed a service contract with the Company on 1 April 2011 for a term of two years and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. Mr. Chan is entitled to an annual remuneration of HK\$696,000 and a discretionary bonus to be determined by the Remuneration Committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Chan for the period from April 2011 to March 2012 was HK\$708,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

**(7) Mr. Chung Chi Shing, aged 47, an executive Director**

Mr. Chung Chi Shing has been appointed as an executive Director with effect from 1 December 2010. He has more than 20 years of working experience and was an Executive Director and Chief Executive Officer of Central China Enterprises Limited (Stock Code: 351) from 2000 to 2004, a Director of a trading company of chemical products from 2005 to 2006 and a Director of Vega Science & Technology (HK) Co., Limited (a manufacturer of printed circuit board drilling machines) since 2007. He is an Executive Director of Same Time Holdings Limited (stock code: 451), a company whose shares are listed on the Stock Exchange. Save as disclosed above, Mr. Chung did not hold any directorships in any other public companies listed in Hong Kong or overseas in the last three years or any other position with the Company or any of its subsidiaries.

Save as disclosed above, Mr. Chung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

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

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Mr. Chung has entered into a service contract with the Company for an initial term of three years commencing from 1 December 2010 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. Mr. Chung is entitled to an annual remuneration of HK\$960,000 and a discretionary bonus to be determined by the Remuneration Committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Chung for the period from April 2011 to March 2012 was HK\$972,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

**(8) Ms. Jian Qing, aged 40, an executive Director**

Ms. Jian Qing has been appointed as an executive Director with effect from 19 October 2009. She is also a member of the Nomination Committee of the Company. Ms. Jian has been involved in identifying suitable investments opportunities for the Company via her business network. She graduated from the Jilin University in China with a Bachelor degree in Economics. She also holds a degree of Master in Business Administration from the Lawrence Technology University in the United States of America. She has more than 16 years of experience in different areas of securities and financial management, which was gained from a number of securities companies in China. Ms. Jian did not hold any directorships in any other public companies listed in Hong Kong or overseas in the last three years or any other position with the Company or any of its subsidiaries.

Save as disclosed above, Ms. Jian does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Ms. Jian has no interests in the Shares within the meaning of Part XV of the SFO.

Ms. Jian has entered into a service contract with the Company for an initial term of three years commencing from 19 October 2009 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. Ms. Jian is entitled to an annual remuneration of HK\$720,000 and a discretionary bonus to be determined by the Remuneration Committee of the Company and the Board by reference to her duties and responsibilities with the Company. The emolument of Ms. Jian for the period from April 2011 to March 2012 was HK\$732,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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**(9) Mr. Song Limin, aged 35, Chief Executive Officer and an executive Director**

Mr. Song has been appointed as an executive Director and the Chief Executive Officer of the Company with effect from 19 August 2011. Mr. Song is acting as director of other members of the Group. Mr. Song graduated from Hebei Normal University in China in 2001 with a bachelor degree of English language and literature. In 2007, Mr. Song obtained his degree of Juris Master in law from the China University of Political Science and Law, the PRC. Mr. Song obtained a certificate for practical advanced research and training in Tourism, Property and Hotel Management (實戰型旅遊地產與酒店管理高級研修班) from the College of Continuing Education of Tsinghua University (清華大學繼續教育學院), the PRC in 2010.

Mr. Song joined CNI23 in 2007 as the secretary to the Director General.

From 25 May 2012, Mr. Song was no longer act as the secretary of the Board of Directors of CNI23. Since Mr. Song has been serving CNI23 for several years, he has acquired substantial experiences. Mr. Song has also gained recognition in his work by achieving the award of the “Outstanding Worker” by Entrepreneurs Association of Hebei Province, the PRC from 2008 to 2010.

Save as disclosed above, Mr. Song has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Song does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Mr. Song does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Song has entered into a service contract with the Company for an initial term of one year commencing from 19 August 2011 and is subject to retirement and re-election at the annual general meeting of the Company pursuant to the Bye-laws. Mr. Song is entitled to a monthly remuneration of HK\$50,000 and a discretionary annual bonus to be determined by the Remuneration Committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Song for the period from 19 August 2011 to March 2012 was HK\$490,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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**(10) Mr. Chan Ka Ling, Edmond, aged 53, an independent non-executive Director**

Mr. Chan Ka Ling, Edmond is an independent non-executive Director since the listing of the Shares of the Company on the Stock Exchange and has 20 years of service in the Company. He is also the Chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Chan is a partner of Chan and Chan, Certified Public Accountants. He is a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (UK). He is also a Director of Kreston CAC CPA Limited.

Mr. Chan ceased to be an independent non-executive director of Time Infrastructure Holdings Limited (now known as “Goldpoly New Energy Holdings Limited”) and Simsen International Corporation Limited, both companies are incorporated in Bermuda and listed on the Stock Exchange, with effect from 30 December 2010 and 23 April 2010 respectively. Save as disclosed above, Mr. Chan did not hold any directorships in any other public companies listed in Hong Kong or overseas in the last three years or any other position with the Company or any of its subsidiaries.

Save as disclosed above, Mr. Chan does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Chan is not holding any other position with the Company or any of its subsidiaries.

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

Mr. Chan has executed a letter of appointment with the Company for a term of two years with effect from 1 April 2011 to 31 March 2013 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. The Director’s fee of Mr. Chan as an Independent Non-executive Director and also the Chairman of the Audit Committee and Remuneration Committee was HK\$150,000, which was determined by the Remuneration Committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Chan for the period from April 2011 to March 2012 was HK\$150,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

**(11) Mr. Chang Nan, aged 52, an independent non-executive Director**

Mr. Chang Nan has been appointed as an independent non-executive Director with effect from 27 June 2011. He is also the member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Chang graduated from Harbin Shipbuilding Engineering Institute, the PRC with a Bachelor degree majoring in Nuclear Power Device in 1982.

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## **APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Mr. Chang has extensive experience in nuclear engineering and management. Mr. Chang held managerial positions in China Institute of Atomic Energy and Jiangsu Nuclear Power Corporation. Mr. Chang was a senior engineer of Ministry of Energy in 1992 and participated in Guangdong Nuclear Power Joint Venture Corporation to start up and put the first unit of Dayabay Nuclear Power Plant into commercial operation. He was also the Deputy Director of Nuclear Power Bureau in China National Nuclear Corporation in 1995. From 1996 to 2005, Mr. Chang served as Deputy Director General and then Director General of Jiangsu Nuclear Power Corporation, responsible for all activities related to the engineering and construction of Tianwan Nuclear Power Plant. Mr. Chang served as Director General of the Nuclear Power Department, China Power Investment Corporation from 2005 to 2009. Mr. Chang is currently a member of International Nuclear Safety Group, International Atomic Energy Agency, a member of the Expert Committee on Nuclear Safety and Environment, State Department of Environmental Protection and also a member of the Expert Committee of China Nuclear Energy Industry Association.

Save as disclosed above, Mr. Chang has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Chang does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Mr. Chang does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chang has executed a letter of appointment with the Company for a term of three years commencing from 27 June 2012 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. The Director's fee of Mr. Chang is HK\$150,000 per annum, which was determined by the Remuneration Committee of the Company and the Board by reference to his duties and responsibilities with the Company. The emolument of Mr. Chang for the period from 27 June 2011 to March 2012 was HK\$114,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

### **(12) Dr. Dai Jinping, aged 47, an independent non-executive Director**

Dr. Dai Jinping has been appointed as an independent non-executive Director with effect from 27 June 2011. She is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Dr. Dai graduated in 1986 from Nankai University, the PRC with a Bachelor of Arts degree in Economics. In 1989, Dr. Dai obtained a Master degree in Economics from Nankai University. In 1994, Dr. Dai obtained her PhD in Economics, majoring in international trade, from Nankai University.

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## **APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Dr. Dai started working as an Associate Professor in economics of Nankai University since 1994. She then became a Professor and Director in economics at the Institute of International Economics in 2000 and an Associate Dean of the School of Financial Engineering in 2002. Dr. Dai is currently the Associate Dean and Professor of the Institute of Financial Development Research of Nankai University, a Professor in Economics of the Institute of International Economics at Nankai University and also the Vice Director of the Professor Centre for Transnational Corporations Studies of Nankai University.

Dr. Dai has also worked as part-time Professor or Visiting Professor of other Universities. She is now a part-time Professor in economics of each of Xiamen University, Shandong College of Economics and Shanghai Lixin Institute of Accounting, all in PRC. Dr. Dai was a Visiting Professor of each of Greenwich University, U.K. from 1995 to 1996, Columbia University, U.S.A. from 2001 to 2002, Helsinki Polytechnic, Finland in 2005 and National Kaohsiung University of Applied Sciences, KUAS, Taiwan in 2005. Dr. Dai is the Managing Director of China Society of World Economics, Director of teaching committee and Vice-president of Tianjin Society of World Economics.

Dr. Dai is an independent director of each of Ringpu (Tianjin) Biotechnology Co., Ltd. (天津瑞普生物技術股份有限公司), Tianjin Benefo Electric Co., Ltd. (天津百利電器股份有限公司), all of which are listed in the PRC.

Save as disclosed above, Dr. Dai has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Dr. Dai does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Dr. Dai does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company, nor does she have any interests in the Shares within the meaning of Part XV of the SFO.

Dr. Dai has executed a letter of appointment with the Company for a term of three years commencing from 27 June 2012 and is subject to retirement and re-election at each annual general meeting of the Company pursuant to the Bye-laws. The Director's fee of Dr. Dai is HK\$150,000 per annum, which was determined by the Remuneration Committee of the Company and the Board with reference to her duties and responsibilities with the Company. The emolument of Dr. Dai for the period from 27 June 2011 to March 2012 was HK\$114,000.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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**(13) Mr. Yu Lei, aged 42, an independent non-executive Director**

Mr. Yu Lei has been appointed as an independent non-executive Director with effect from 9 March 2012. Mr. Yu is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Yu graduated from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC with a Bachelor degree majoring in accounting in 1993, where he subsequently obtained a Master of Management degree in 1999. Mr. Yu is also a qualified accountant conferred by the Ministry of Finance of the PRC and a certified internal auditor of the Institute of Internal Auditors.

Mr. Yu has about 19 years of extensive work experience. Mr. Yu began his career in 1993 as an accountant in the PRC assuming the duties in financial management, where he has acquired substantial experiences in financial analysis, internal control, tax planning, budget management and performing financial feasibility studies for investment projects. Mr. Yu was the assistant to the chief executive officer of the group in Great China International Group (China) Limited (大中華國際集團(中國)有限公司) in 2006 and is currently an assistant of the president of Shenzhen Zhuojia Industry Development Co., Ltd. (深圳市卓佳實業集團有限公司). During his career, Mr. Yu has assumed different senior positions in various large corporations and has gained extensive knowledge and experience in supervising large scale investment projects, financial management and internal control compliance.

Save as disclosed above, Mr. Yu has not previously held and is not holding any other position with any of the Company or its subsidiaries. Save as disclosed above, Mr. Yu does not hold any other directorships in any listed public companies in the last three years or other major appointments and qualifications.

Mr. Yu does not have any relationship with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Yu has entered into a letter of appointment with the Company and has been appointed for an initial term of one year from 9 March 2012 to 8 March 2013, subject to retirement and re-election at the annual general meeting of the Company pursuant to the Bye-laws. Mr. Yu is entitled to a Director's fee of HK\$150,000 per annum for acting as an independent non-executive Director of the Company and serving as a member of the audit committee and remuneration committee of the Company. Mr. Yu's emolument was determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities. Mr. Yu has not received any emolument for the period from 9 March 2012 to 31 March 2012.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Set out below is a summary of certain provisions of the proposed new Bye-laws of the Company.

**(a) Directors**

*(i) Power to allot and issue shares and warrants*

Subject to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Act, any preference shares may be issued or converted into shares that are liable to be redeemed, at a determinable date or at the option of the Company or, if so authorised by the Memorandum of Association, at the option of the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution determine. The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

*(ii) Power to dispose of the assets of the Company or any of its subsidiaries*

There are no specific provisions in the Bye-laws relating to the disposal of the assets of the Company or any of its subsidiaries.

*Note:* The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Bye-laws or the Companies Act to be exercised or done by the Company in general meeting.

***(iii) Compensation or payments for loss of office***

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

***(iv) Loans and provision of security for loans to Directors***

There are no provisions in the Bye-laws relating to the making of loans to Directors.

***(v) Financial assistance to purchase shares of the Company***

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Bye-laws) and any other relevant regulatory authority, the Company may give 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.

***(vi) Disclosure of interests in contracts with the Company or any of its subsidiaries***

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Bye-laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Bye-laws, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the

fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) 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 himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) 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 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;
- (dd) 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 by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates 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 accorded generally to the class of persons to which such scheme or fund relates.

*(vii) Remuneration*

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law. A Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

*(viii) Retirement, appointment and removal*

- (1) At each annual general meeting all the Directors for the time being shall retire from office. The retiring Directors shall be eligible for re-election.
- (2) The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
- (3) Subject to the Companies Act and the rules of the Designated Stock Exchange, if the annual general meeting or the election of Directors does not take place at the proper time, it shall be lawful for the Company to continue its business and for the existing Directors to continue in office.

*Note:* There are no provisions relating to retirement of Directors upon reaching any age limit.

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

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or, subject to authorisation by the members in general meeting, as an addition to the existing board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director appointed by the board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the board as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the board may determine and the board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

***(ix) Borrowing powers***

The board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

*Note:* These provisions, in common with the Bye-laws in general, can be varied with the sanction of a special resolution of the Company.

**(b) Alterations to constitutional documents**

The Bye-laws may be rescinded, altered or amended by the Directors subject to the confirmation of the Company in general meeting. The Bye-laws state that a special resolution shall be required to alter the provisions of the Memorandum of Association, to confirm any such rescission, alteration or amendment to the Bye-laws or to change the name of the Company.

**(c) Alteration of capital**

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares as the directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;
- (v) change the currency denomination of its share capital;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Companies Act, any share premium account or other undistributable reserve.

**(d) Variation of rights of existing shares or classes of shares**

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued 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 that class. To every such separate general meeting the provisions of the Bye-laws relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons or (in the case of a member being a corporation) its duly authorised representative holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or (in the case of a member being a corporation) its duly authorised representative or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

**(e) Special resolution-majority required**

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designed Stock Exchange (as defined in the Bye-laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and not less than ten (10) clear business days has been given.

**(f) Voting rights**

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share.

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.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

No power shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly on such particular resolution have failed to disclose their interests to the Company.

**(g) Requirements for annual general meetings**

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Bye-laws)) and place as may be determined by the board.

**(h) Accounts and audit**

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or, subject to the Companies Act, at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting.

Subject to the Companies Act, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures; however, to the extent permitted by and subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Bye-laws), the Company may send to such persons summarised financial statements derived from the

Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members appoint another auditor. Such auditor may be a member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

**(i) Notices of meetings and business to be conducted thereat**

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

**(j) Transfer of shares**

All transfers of shares may be effected in any manner permitted by and in accordance with the rules of the Designated Stock Exchange by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

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## APPENDIX III SUMMARY OF PRINCIPAL PROVISIONS OF NEW BYE-LAWS

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The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The board may, in its absolute discretion, and without assigning any reason, 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.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Bye-laws), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

### **(k) Power for the Company to purchase its own shares**

The Bye-laws supplement the Company's Memorandum of Association (which gives the Company the power to purchase its own shares) by providing that the power is exercisable by the board upon such terms and conditions as it thinks fit.

### **(l) Power for any subsidiary of the Company to own shares in the Company**

There are no provisions in the Bye-laws relating to ownership of shares in the Company by a subsidiary.

**(m) Dividends and other methods of distribution**

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

**(n) Proxies**

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

**(o) Call on shares and forfeiture of shares**

Subject to the Bye-laws and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

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 monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

**(p) Inspection of register of members**

The register and branch register of members shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the Companies Act.

**(q) Quorum for meetings and separate class meetings**

For all purposes the quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

**(r) Rights of the minorities in relation to fraud or oppression**

There are no provisions in the Bye-laws relating to rights of minority shareholders in relation to fraud or oppression.

**(s) Procedures on liquidation**

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

**(t) Untraceable members**

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Bye-laws) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Bye-laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the Bye-laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

**(u) Other provisions**

The Bye-laws provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

The Bye-laws also provide that the Company is required to maintain at its registered office a register of directors and officers in accordance with the provisions of the Companies Act and such register is open to inspection by members of the public without charge between 10:00 a.m. and 12:00 noon during business hours.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 中国核建

CHINA NUCLEAR INDUSTRY 23 INTERNATIONAL CORPORATION LIMITED

中國核工業二三國際有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 611)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of China Nuclear Industry 23 International Corporation Limited (the “Company”) will be held at Jade Terrace Restaurant, 2nd Floor, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 28 August 2012 at 3:00 p.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2012;
2. To re-elect retiring Directors (as referred to Appendix II to the circular), to fix the maximum number of Directors and to authorise the Board to appoint additional Directors and to fix the Directors’ fees;
3. To appoint Messrs. HLB Hodgson Impey Cheng Limited as auditors of the Group for the subsequent financial year and to authorise the Board to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in a general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda to be held.”;
- 5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company or (iv) the exercise of any options which may be granted or exercise of rights of subscription or conversion under the terms of any existing bonds, notes, warrants, debentures or other securities which carry rights to subscribe for or are convertible into shares of the Company, the aggregate nominal amount of the shares in the capital of the Company to be issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with (whether pursuant to an option or otherwise) shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in a general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda to be held.”; and
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to issue, allot or deal with Shares be and is hereby extended by adding thereto the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”.

### SPECIAL RESOLUTION

7. To consider and, if thought fit, pass the following resolution as a special resolution:
- “**THAT** the new bye-laws of the Company in the form of the document marked “A” and initialed by the chairman of this meeting for the purpose of identification be hereby approved and adopted as the bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

By Order of the Board  
**China Nuclear Industry 23 International Corporation Limited**  
**Tam Cheuk Ho**  
*Company Secretary*

Hong Kong, 18 July 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) Pursuant to the Listing Rules, all votes of members at general meetings must be taken by poll.
- (2) The Register of Members of the Company will be closed from Friday, 24 August 2012 to Tuesday, 28 August 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates and appropriate transfer forms, must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 August 2012.
- (3) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies (if holding two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company.
- (4) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoke.

As at the date of this notice, the Directors of the Company are Mr. Dong Yuchuan, who is the Chairman and a non-executive Director; Mr. Chan Shu Kit, who is the Vice-Chairman and an executive Director; Mr. Lei Jian, Mr. Han Naishan, Mr. Guo Shuwei, Mr. Chan Ho Man, Mr. Chung Chi Shing, Ms. Jian Qing and Mr. Song Limin, all of whom are executive Directors; and Mr. Chan Ka Ling, Edmond, Mr. Chang Nan, Dr. Dai Jinping and Mr. Yu Lei, all of whom are independent non-executive Directors.