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

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

**If you have sold** all your shares in China Dongxiang (Group) Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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DONGXIANG

**China Dongxiang (Group) Co., Ltd.**

**中國動向（集團）有限公司**

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

**(Stock Code: 3818)**

**RE-ELECTION OF DIRECTORS  
GENERAL MANDATE TO ISSUE SHARES  
GENERAL MANDATE TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Dongxiang (Group) Co., Ltd. to be held at Seminar 5 to 10, Cliftons, 33/F., 9 Queen's Road Central, Central, Hong Kong on Thursday, 12 May 2011 at 10:00 a.m. is set out in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

4 April 2011

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## DEFINITIONS

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*In this circular, unless the context states otherwise, the following expressions have the following meaning:*

“2010 Annual Report”	the annual report of the Company for the financial year ended 31 December 2010 dispatched to the Shareholders together with this circular
“AGM”	the annual general meeting of the Company to be held at Seminar 5 to 10, Cliftons, 33/F., 9 Queen’s Road Central, Central, Hong Kong on Thursday, 12 May 2011 at 10:00 a.m., notice of which is set out in this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	China Dongxiang (Group) Co., Ltd. (中國動向(集團)有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	24 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“RMB”	Renminbi, lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 12 September 2007
“Shareholder(s)”	holder(s) of Share(s) in issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

DONGXIANG

**China Dongxiang (Group) Co., Ltd.**

**中國動向（集團）有限公司**

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

**(Stock Code: 3818)**

*Executive Directors:*

Mr. Chen Yihong (陳義紅)

Mr. Qin Dazhong (秦大中)

Ms. Sandrine, Suzanne, Eléonore, Agar Zerbib  
("Sandrine Zerbib")

*Non-Executive Director:*

Mr. Gao Yu (高煜)

*Independent Non-Executive Directors:*

Mr. Xu Yudi (徐玉棟)

Dr. Xiang Bing (項兵)

Mr. Jin Zhi Guo (金志國)

*Registered Address:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business in*

*Hong Kong:*

Office Unit 9, 13/F

Tower Two, Lippo Centre

No. 89 Queensway

Hong Kong

4 April 2011

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS  
GENERAL MANDATE TO ISSUE SHARES  
GENERAL MANDATE TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give Shareholders information on matters to be dealt with at the forthcoming AGM, which include the (i) re-election of Directors; and (ii) grant of general mandates to issue and repurchase Shares.

**RE-ELECTION OF DIRECTORS**

In relation to resolution No. 3(a) in the notice of the AGM, Mr. Chen Yihong (an executive director) and Mr. Xu Yudi (an independent non-executive director) shall retire at the AGM by rotation pursuant to Article 87 of the Articles of Association and the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules ("CG Code")

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## LETTER FROM THE CHAIRMAN

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and, being eligible, offer themselves for re-election. Pursuant to Article 86(3) of the Articles of Association and the CG Code, Mr. Jin Zhi Guo (appointed as an independent non-executive director on 1 July 2010) and Ms. Sandrine Zerbib (appointed as an executive director on 29 November 2010) will hold office until the AGM of the Company and shall then be eligible for re-election at the AGM. The biographical details and interests in the Shares of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

By an ordinary resolution passed by the Shareholders on 12 May 2010, general and unconditional mandates were granted to the Directors to issue and repurchase certain amount of Shares. Up to the Latest Practicable Date, the Directors have not exercised any such mandates to issue or repurchase Shares and such mandates will expire at the closing of the AGM. The Directors believe that renewal of such general mandates is in the interest of the Company and the Shareholders. Accordingly, the following ordinary resolutions will be proposed at the AGM in order to grant to the Directors the new general and unconditional mandates to exercise the powers of the Company to issue and repurchase Shares:

- (i) an ordinary resolution (resolution No. 5) to grant to the Directors a general and unconditional mandate to authorise them to allot, issue and deal with the additional Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “Issue Mandate”);
- (ii) an ordinary resolution (resolution No. 6) to grant to the Directors a general and unconditional mandate to authorise them to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “Repurchase Mandate”); and
- (iii) conditional upon the passing of the resolutions No. 5 and No. 6 as stated above, an ordinary resolution (resolution No. 7) to extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares purchased by the Company under the Repurchase Mandate provided that such aggregated amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM.

On the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot and issue a maximum of 1,133,280,200 Shares under the Issue Mandate and to repurchase a maximum of 566,640,100 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the notice of the AGM set out in this circular for details of the above mentioned ordinary resolutions. An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is also set out in Appendix II to this circular. Such Appendix contains all the information which is reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate at the AGM.

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## LETTER FROM THE CHAIRMAN

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### ANNUAL GENERAL MEETING

Set out on pages 12 to 15 of this circular is the notice of the AGM to be held on 12 May 2011. A form of proxy for use in connection with the AGM is enclosed. Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the commencement of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the AGM shall be taken by poll.

### RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of the retiring Directors, the grant of the general mandates to issue, allot and repurchase Shares and the extension of the Issue Mandate are in the interests of the Company and the Shareholders. The Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
**Chen Yihong**  
*Chairman*

The following are particulars of the Directors who are proposed to be re-elected at the AGM:

#### EXECUTIVE DIRECTOR

**Mr. Chen Yihong (陳義紅)**, aged 52, is our founder of the Group, chairman and an executive Director. Mr. Chen is primarily responsible for the overall corporate strategies, planning and business development of the Group. Mr. Chen has extensive experience in the sporting goods industry in China. From 1991 to 2005, Mr. Chen was the vice-general manager, general manager and chief executive officer of Beijing Li Ning Sports Goods Co., Ltd. (北京李寧體育用品有限公司) and the executive director of Li Ning Company Limited, a company listed on Hong Kong Stock Exchange. Mr. Chen has completed “China CEO Program” of Cheung Kong Graduate School of Business (長江商學院) in 2009.

Save as disclosed above, Mr. Chen did not hold directorships in any other listed companies in the last three years preceding the Latest Practicable Date.

Mr. Chen has entered into a service agreement with the Company for an initial term of three years subject to the retirement by rotation and re-election at the annual general meeting of the Company. Mr. Chen is entitled to an annual remuneration of approximately RMB1,736,000 and is eligible for annual bonus and other allowances at the sole and absolute discretion of the Board and its remuneration committee. Mr. Chen’s remuneration was determined by reference to his duties and responsibilities, experience, performance and market conditions.

As at the Latest Practicable Date, Mr. Chen was deemed to be interested in, within the meaning of Part XV of the SFO, 2,792,601,000 Shares, representing 49.28% of the total issued share capital of the Company. Save as disclosed above, Mr. Chen had no other interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed, to the best knowledge and belief of the Board, having made all reasonable enquiries, Mr. Chen does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

There is no information which is discloseable nor is/was Mr. Chen involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51 of the Listing Rules. There are no other matters concerning Mr. Chen that need to be brought to the attention of the Shareholders.

**EXECUTIVE DIRECTOR**

**Ms. Sandrine Zerbib**, aged 49, an executive Director and chief executive officer of the Company since 29 November 2010. She has been working in the sports industry in China for the last 17 years. From July 2007, Ms. Zerbib has run her own consulting business in Full Jet Limited which provides consulting services in the fashion and sports industries to non-Chinese companies entering/re-entering the Chinese market or expanding their Chinese operations as well as to Chinese companies looking to improve and further expand their business.

From August 1994 to March 2003, Ms. Zerbib was employed by Adidas China as managing director to create and develop the China business of Adidas from its naissance stage to its present leading position. From April 2003 to June 2007, she served as the president of Adidas Greater China Area. As such, she initiated, negotiated and activated Adidas partnership with the 2008 Beijing Olympics Games and further developed Adidas China to the second global market behind the USA.

Before joining Adidas China in 1994, Ms. Zerbib worked as the head of acquisition financing in Banque Du Phenix, a subsidiary of AGF insurance group, from May 1990 to February 1994. From September 1987 to April 1990, Ms. Zerbib worked in various positions at Banque Centrale Des Cooperatives Et Des Mutuelles, a subsidiary of GMF insurance group, including as a financial analyst and the head of the financial analysts division.

Ms. Zerbib did not hold directorships in any other listed companies in the last three years preceding the Latest Practicable Date.

Ms. Zerbib has entered into a service contract with the Company for an initial term of three years subject to the retirement by rotation and re-election at the annual general meeting of the Company. Ms. Zerbib is entitled to receive an annual salary (after tax) of RMB3,000,000, director fees amount to HK\$176,000 per annum, discretionary bonus and other benefits including housing allowance and insurances etc. Ms. Zerbib's remuneration was determined by reference to her duties and responsibilities, experience, performance and market conditions.

As at the Latest Practicable Date, save and except the options to subscribe for 3,000,000 Shares granted under the Share Option Scheme, Ms. Zerbib did not have any other interest nor is deemed to be interested in any Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO.

Save as disclosed, to the best knowledge and belief of the Board, having made all reasonable enquiries, Ms. Zerbib does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

There is no information which is discloseable nor is/was Ms. Zerbib involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51 of the Listing Rules. There are no other matters concerning Ms. Zerbib that need to be brought to the attention of the Shareholders of the Company.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Xu Yudi (徐玉棟)**, aged 59, an independent non-executive Director and a member of the audit committee of the Company. Mr. Xu obtained qualifications as a certified public accountant and senior auditor in the PRC. He is a senior accountant of the Chinese Institute of Certified Public Accountants. He obtained his master degree in economics from the Institute for Fiscal Science Research under the State Ministry of Finance (財政部財政科學研究所). He is currently a director of China Citic Group (中國中信集團公司) and consultant of Group Strategy and Planning Department. For the period between 1994 and 2009, Mr. Xu was the vice president and general accountant of China Leasing Company Limited (中國租賃有限公司), president and chairman of Citic International Cooperation (中信國際合作公司), vice president and vice chairman of Citic Constructions Co. Ltd. (中信建設有限責任公司). Prior to that, he was a lecturer of Tianjin Commercial School (天津財貿學校) and also the officer, division chief, deputy director, deputy delegate and director of National Audit Office. He was also an intern at the Office of Auditor General of Canada from 1983 to 1985.

Mr. Xu did not hold directorships in any other listed companies in the last three years preceding the Latest Practicable Date.

Mr. Xu has executed an appointment letter with the Company for an initial term of one year subject to the retirement by rotation and re-election at the annual general meeting of the Company. Mr. Xu is entitled to an annual remuneration of HK\$200,000.

As at the Latest Practicable Date, Mr. Xu had no interests in any Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO. The options granted to Mr. Xu in 2007 to subscribe for 200,000 Shares were expired on 9 April 2010.

Save as disclosed, to the best knowledge and belief of the Board, having made all reasonable enquiries, Mr. Xu does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

There is no information which is discloseable nor is/was Mr. Xu involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51 of the Listing Rules. There are no other matters concerning Mr. Xu that need to be brought to the attention of the Shareholders of the Company.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Jin Zhi Guo (金志國)**, aged 54, an independent non-executive Director and member of the audit committee of the Company, has been a director of the Company since 1 July 2010. He is a senior economist with EMBA at China Europe International Business School and Ph.D at Qingdao University. Since 1975, Mr. Jin had served in various positions including head of power department of Tsingtao Brewery Factory, assistant to plant manager of Tsingtao Brewery No. 1 in 1994, general manager of Tsingtao Brewery (Xi'an) Company Limited in 1996, general manager of Tsingtao Brewery North Office, assistant to general manager and general manager of Tsingtao Brewery Co., Ltd. between 2000 and 2001. Mr. Jin was promoted as president and vice-chairman of Tsingtao Brewery Co., Ltd. in 2002. Since 2008, Mr. Jin was elected as the chairman of Tsingtao Brewery Co., Ltd. (青島啤酒股份有限公司), a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 00168) and The Shanghai Stock Exchange (Stock Code: 600600). Mr. Jin is also the chairman and the CEO of Tsingtao Brewery Group Company Limited. Mr. Jin has extensive experience in strategic management, sales and marketing management and capital operations. In 2008, Mr. Jin was awarded “2007 CCTV Top 10 Economic-Figures”. He is the national representative of the 10th and 11th National People’s Congress.

Mr. Jin is a current director of QKL Stores Inc., a company listed on the NASDAQ (Ticker Symbol: QKLS) since September 2009. Since August 2010, he has been an independent director of Hunan Jiuzhitang Co., Ltd. (九芝堂股份有限公司), a company listed on the Shenzhen Stock Exchange Company Limited (Stock code: 000989), and a member of its strategic committee, nomination, remuneration and evaluation committee under its board.

Save as disclosed above, Mr. Jin did not hold directorships in any other listed companies in the last three years preceding the Latest Practicable Date.

Mr. Jin has executed an appointment letter with the Company for an initial term of one year subject to the retirement by rotation and re-election at the annual general meeting of the Company. Mr. Jin is entitled to an annual remuneration of HK\$200,000.

As at the Latest Practicable Date, Mr. Jin had no interests in any Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO.

Save as disclosed, to the best knowledge and belief of the Board, having made all reasonable enquiries, Mr. Jin does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

There is no information which is discloseable nor is/was Mr. Jin involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51 of the Listing Rules. There are no other matters concerning Mr. Jin that need to be brought to the attention of the Shareholders of the Company.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to the Shareholders for their consideration of the proposed resolutions in relation to the Repurchase Mandate.

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 5,666,401,000 Shares. Subject to the passing of resolution No. 6 approving the Repurchase Mandate as set out in the notice of the AGM appearing in this circular and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 566,640,100 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

## **REASON FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an increase of the net asset value of the Company and/or its earnings per Share and will only be made as and when the Directors believe such repurchases will benefit the Company and the Shareholders as a whole.

## **FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with its financial position as disclosed in the 2010 Annual Report) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors may from time to time be appropriate for the Company.

## **TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the Shareholder's

interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code and the provision may apply as a result of any such increase.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, Mr. Chen Yihong, Chairman of the Company, (through Poseidon Sports Limited) was deemed to be interested in 2,792,601,000 Shares, representing 49.28% of the total issued Share capital of the Company. Mr. Chen Yihong's deemed interest in the Shares include the interest held by his spouse, Ms. Liu Peiying, through a controlled corporation. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then (assuming Mr. Chen Yihong's present shareholding remains the same) the interest held by Mr. Chen Yihong would be increased to approximately 54.76% of the issued share capital of the Company. On the exercise of Repurchase Mandate in full may result in Mr. Chen Yihong becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

## **GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.

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

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

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

The Company had not purchased any Share (whether on the Hong Kong Stock Exchange or otherwise) during the 6 months prior to the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Hong Kong Stock Exchange during each month prior to the Latest Practicable Date were as follows:

	<b>Per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2010</b>		
April	5.70	5.00
May	5.53	4.24
June	5.80	4.90
July	5.16	4.16
August	4.62	3.88
September	4.72	4.04
October	4.90	4.25
November	4.68	3.41
December	3.57	3.25
<b>2011</b>		
January	3.61	3.14
February	3.47	2.86
March (up to the Latest Practicable Date)	3.17	2.50

DONGXIANG

**China Dongxiang (Group) Co., Ltd.**

**中國動向（集團）有限公司**

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

**(Stock Code: 3818)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of China Dongxiang (Group) Co., Ltd. (the “Company”) will be held at Seminar 5 to 10, Cliftons, 33/F., 9 Queen’s Road Central, Central, Hong Kong on Thursday, 12 May 2011 at 10:00 a.m. for the following purposes:

As ordinary business:

1. To receive and adopt the audited financial statements and the reports of the directors (“Directors”) and the auditors of the Company for the year ended 31 December 2010.
2. (a) To declare a final dividend for the year ended 31 December 2010 to the shareholders of the Company which shall be paid out of the share premium account of the Company, if necessary, subject to provisions of the Companies Law (2007 revision) of the Cayman Islands.  
  
(b) To declare a final special dividend for the year ended 31 December 2010 to the shareholders of the Company which shall be paid out of the share premium account of the Company, if necessary, subject to provisions of the Companies Law (2007 revision) of the Cayman Islands.
3. (a) To re-elect the following retiring Directors of the Company:
  - (i) Mr. Chen Yihong as an executive director;
  - (ii) Mr. Xu Yudi as an independent non-executive director;
  - (iii) Mr. Jin Zhi Guo as an independent non-executive director; and
  - (iv) Ms. Sandrine Zerbib as an executive director.  
(b) To authorise the board of Directors (“Board”) of the Company to fix the directors’ remuneration.
4. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as the auditors of the Company until the conclusion of the next annual general meeting and authorise the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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

5. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 in the share capital of the Company (“Shares”) and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
- (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); or (ii) any option scheme or similar arrangement for the time being adopted by the Company for the purpose of granting or issuing Shares or rights to acquire Shares of the Company to the directors, officers and/or employees of the Company and/or any of its subsidiaries; or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said mandate shall be limited accordingly;
- (d) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company required by the Company’s articles of association or any applicable law to be held; or
- (iii) the date on which authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such

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## NOTICE OF ANNUAL GENERAL MEETING

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shares or class thereof (subject to such exclusion 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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT**

(a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph (b) below) all the powers of the Company to purchase or otherwise acquire Shares in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of Shares so purchased or otherwise acquired shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution.

(b) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company’s articles of association or any applicable law to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. **“THAT**, conditional upon the passing of resolutions No. 5 and No. 6 above, the aggregate nominal amount of the Shares which are purchased or otherwise acquired by the Company pursuant to resolution No. 6 shall be added to the aggregate nominal amount of the Shares which may be issued pursuant to resolution No. 5, provided that such aggregated amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** the Board be and is hereby authorised to pay out of the share premium account of the Company such interim dividends to shareholders as may be declared from time to time during the period from the passing of this Resolution until 31 December 2011 up to a maximum amount of HK\$500,000,000, subject to provisions of the Companies Law (2007 revision) of the Cayman Islands.”

By order of the Board  
**Wai Pan Man**  
*Company Secretary*

Hong Kong, 4 April 2011

**Notes:**

- (1) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for use at the above meeting (or at any adjournment thereof) is enclosed. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the commencement of the meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Friday, 6 May 2011, to Thursday, 12 May 2011, (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and final special dividend and to attend the above meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 5 May 2011.
- (4) An explanatory statement containing further details in respect of resolution 6 is included in this circular.