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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 Regus, 35/F, Central Plaza, 18 Harbour Road, Hong Kong on Wednesday, 15 May 2013 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.

3 April 2013

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## DEFINITIONS

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

|                            |   |
|----------------------------|---|
| “2012 Annual Report”       | the annual report of the Company for the financial year ended 31 December 2012 dispatched to the Shareholders together with this circular   |
| “AGM”                      | the annual general meeting of the Company to be held at Regus, 35/F, Central Plaza, 18 Harbour Road, Hong Kong on Wednesday, 15 May 2013 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”  | 21 March 2013, 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   |
| “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)

*Non-Executive Director:*

Mr. Gao Yu (高煜)

*Independent Non-Executive Directors:*

Mr. Xu Yudi (徐玉棣)

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

3 April 2013

*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. Gao Yu (a non-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 Corporate Governance Code set out in Appendix 14 of the Listing Rules (“CG Code”) and,

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## LETTER FROM THE CHAIRMAN

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being eligible, offer themselves for re-election. 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 15 May 2012, general and unconditional mandates were granted to the Directors to issue and repurchase certain amount of Shares. For the year ended 31 December 2012, the Company repurchased a total of 100,000,000 Shares at an aggregate purchase price of approximately HK\$104,208,698.05 on the Hong Kong Stock Exchange. Details of the repurchases were as follows:

| Months of repurchase | Number of ordinary shares repurchased | Price per ordinary share |              | Aggregate purchase price HK\$ |
|----------------------|---------------------------------------|--------------------------|--------------|-------------------------------|
|                      |                                       | Lowest HK\$              | Highest HK\$ |                               |
| April 2012           | 69,970,000                            | 0.98                     | 1.05         | 71,809,867.25                 |
| May 2012             | <u>30,030,000</u>                     | 1.05                     | 1.09         | <u>32,398,830.80</u>          |
|                      | <u>100,000,000</u>                    |                          |              | <u>104,208,698.05</u>         |

All the 100,000,000 Shares repurchased for the year ended 31 December 2012 had been cancelled and the issued share capital of the Company was reduced by the par value thereof accordingly. The above repurchases were effected by the Directors, pursuant to the mandate from Shareholders, with a view to benefiting shareholders as a whole in enhancing the net assets and/or earnings per Share of the Company.

Saved as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company for the year ended 31 December 2012.

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 repurchases 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

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## LETTER FROM THE CHAIRMAN

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- (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 1,107,280,200 Shares under the Issue Mandate and to repurchase a maximum of 553,640,100 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.

### ANNUAL GENERAL MEETING

Set out on pages 10 to 14 of this circular is the notice of the AGM to be held on 15 May 2013. 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:

#### NON-EXECUTIVE DIRECTOR

**Mr. Gao Yu (高煜)**, aged 39, is our non-executive director. He is currently the managing director of the Private Equity Division of Morgan Stanley Asia Limited, and he primarily focuses on private equity investment activities in China. He is a non executive director of both Belle International Holdings Limited (百麗國際控股有限公司) and Sparkle Roll Group Ltd (耀萊集團有限公司), two companies listed on the main board of Hong Kong Stock Exchange. Mr. Gao is also a director of Tongkun Group Co., Ltd (桐昆集團股份有限公司), a company listed on Shanghai Stock Exchange. Prior to joining Morgan Stanley Asia Limited, he worked in Citigroup's Investment Banking Division in Asia for about five years. Mr. Gao had also worked in Donaldson, Lufkin & Jenrette Inc's Capital Markets Group in New York. Mr. Gao graduated from Stanford University with a Master's degree in engineering economic systems and operations research as well as from Tsinghua University (清華大學) in Beijing with dual Bachelors' degrees in engineering and economics.

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

Mr. Gao had 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. Gao is not entitled to any remuneration.

As at the Latest Practicable Date, Mr. Gao has no interests in the 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. Gao 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 he 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. Gao that need to be brought to the attention of the Shareholders of the Company.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Xu Yudi (徐玉棣)**, aged 61, an independent non-executive director of the Company. Mr. Xu obtained qualifications as a certified public accountant and senior auditor in the PRC. He is a fellow member 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). For the period between 2006 and 2011, Mr. Xu was a director of China Citic Group (中國中信集團公司), and for the period between 2009 and 2011, Mr. Xu was also the 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.

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

Mr. Xu had 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. Mr. Xu's remuneration was determined by reference to his duties and responsibilities, experience, performance and market conditions.

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.

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.

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 5,536,401,000 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 553,640,100 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 2012 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 2,477,081,000 Shares, representing 44.74% of the total issued Share capital of the Company. 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 49.71% 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:

|   | Per Share              |                       |
|---|------------------------|-----------------------|
|   | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2012</b>                               |                        |                       |
| April                                     | 1.29                   | 0.96                  |
| May                                       | 1.10                   | 0.93                  |
| June                                      | 1.01                   | 0.68                  |
| July                                      | 0.76                   | 0.59                  |
| August                                    | 0.81                   | 0.60                  |
| September                                 | 0.89                   | 0.74                  |
| October                                   | 1.05                   | 0.77                  |
| November                                  | 1.06                   | 0.83                  |
| December                                  | 1.05                   | 0.84                  |
| <b>2013</b>                               |                        |                       |
| January                                   | 1.40                   | 1.04                  |
| February                                  | 1.29                   | 0.94                  |
| March (up to the Latest Practicable Date) | 1.16                   | 1.00                  |

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 Regus, 35/F, Central Plaza, 18 Harbour Road, Hong Kong on Wednesday, 15 May 2013 (“2013 AGM”) 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 2012.
2. (a) To declare a final dividend for the year ended 31 December 2012 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 2012 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. Gao Yu as a non-executive director; and
  - (ii) Mr. Xu Yudi as an independent non-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 2013 up to a maximum amount of HK\$300,000,000, 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, 3 April 2013

**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) To ascertain shareholders’ eligibility to attend and vote at the annual general meeting, the register of members will be closed from Friday, 10 May 2013 to Wednesday, 15 May 2013 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend and vote at the annual general 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, no later than 4:30 p.m. on Thursday, 9 May 2013.
- (4) An explanatory statement containing further details in respect of resolution No. 6 is included in this circular.
- (5) If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time between 8:00 a.m. and 1:00 p.m. on the date of the 2013 AGM, then the 2013 AGM will be postponed and the Shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Company’s website at [www.dxsport.com](http://www.dxsport.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

If Typhoon Signal No.8 or above or a Black Rainstorm Warning Signal is cancelled at or before 8:00 a.m. on the date of the 2013 AGM, and where conditions permit, the 2013 AGM will be held as scheduled.

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## NOTICE OF ANNUAL GENERAL MEETING

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The 2013 AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.

Shareholders should decide on their own whether they would attend the 2013 AGM under bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.