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

If you have sold or transferred all your shares in China Beidahuang Industry Group Holdings Limited, you should at once pass this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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China Beidahuang Industry Group Holdings Limited

中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Beidahuang Industry Group Holdings Limited to be held at Unit 1101A, 11/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 9 June 2017 at 11:00 a.m. is set out on pages 28 to 32 of this circular. Whether or not you intend to attend the annual general meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting (i.e. before 11:00 a.m. on Wednesday, 7 June 2017 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish.

26 April 2017

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Unit 1101A, 11/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 9 June 2017 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day (other than a Saturday or a Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for the business of dealing in securities
“close associates”	has the meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 (as amended) of the Cayman Islands
“Company”	China Beidahuang Industry Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“core connected persons”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person”	any director or employee of the Group and any other person (including a consultant or adviser) who in the sole discretion of the Board has contributed or will contribute to the Group

DEFINITIONS

“Grantee”	any Eligible Person who accepts an offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) any person entitled to exercise any Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“New Share Option Scheme”	a new share option scheme to be adopted by the Company and to be approved by the Shareholders at the AGM
“Option(s)”	a right to subscribe for Shares pursuant to the terms of the New Share Option Scheme
“Option Period”	a period to be determined and notified by the Board to the Grantee during which an Option may be exercised and in any event, such period shall not be more than 10 years from the date of offer of the Option
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



China Beidahuang Industry Group Holdings Limited
中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

Executive Directors:

Mr. Jiang Jianjun (*Chairman*)
Mr. Jiang Jiancheng
Mr. Ke Xionghan
Mr. Huangfu Mingsheng

Non-executive Directors:

Ms. Ho Wing Yan
Ms. Zhang Yujie

Independent Non-executive Directors:

Dr. Loke Yu (alias Loke Hoi Lam)
Mr. Li Xiaofeng
Mr. Ho Man Fai

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 1101A, 11/F
East Ocean Centre
98 Granville Road
Tsim Sha Tsui
Kowloon
Hong Kong

26 April 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information on the following matters to be dealt with at the AGM: (i) re-election of retiring Directors; (ii) grant of general mandate to issue Shares; (iii) grant of general mandate to repurchase Shares; and (iv) adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Jiang Jianjun, Dr. Loke Yu and Mr. Ho Man Fai will retire by rotation and being eligible, will offer themselves for re-election at the AGM.

In accordance with Article 99 of the Articles of Association, Mr. Ke Xionghan and Mr. Huangfu Mingsheng will retire and being eligible, will offer themselves for re-election at the AGM.

The nomination committee of the Company has assessed the independence of all the independent non-executive Directors in particular, Dr. Loke Yu, who has served the Board for more than nine years. Dr. Loke Yu does not have any management role in the Company and its subsidiaries since his appointment. He has expressed his willingness clearly to exercise independent judgement and has been giving objective views to the Company. There is no evidence that length of tenure is having an unfavourable influence on his independence. The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Dr. Loke Yu over the years, Dr. Loke Yu has the required character, integrity, independence and experience to perform the role of an independent non-executive Director. The Board is not aware of any circumstances that might influence Dr. Loke Yu in exercising his independent judgement and therefore considers he is still independent and should be re-elected at the AGM.

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

GENERAL MANDATE TO ISSUE SHARES

On 24 June 2016, a general mandate was granted to the Directors to exercise the powers of the Company to issue Shares. Such mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution as set out in Resolution 9 of the notice of AGM will be proposed, inter alia, to grant to the Directors a general mandate to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which might require securities to be issued. Such mandate is subject to the total number of the additional Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the resolution, except where the additional Shares are issued pursuant to a rights issue, any share option scheme or similar arrangement, or any scrip dividend scheme or similar arrangement. As at the Latest Practicable Date, there was a total of 5,099,887,634 Shares in issue. Subject to the passing of the relevant resolution at the AGM, the Company will be allowed under the general mandate to allot, issue and deal with additional Shares not exceeding 1,019,977,526 Shares, assuming that no further Shares are issued or repurchased prior to the date of the AGM. The proposed mandate is intended to give the Directors greater flexibility to issue securities when it is in the interests of the Company to do so.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

Under the Companies Law and the Listing Rules, listed companies are allowed to repurchase their own issued shares. The Articles of Association also permit such repurchase of Shares. The Directors consider that these provisions increase the flexibility in the conduct of the Company's affairs in the interests of the Shareholders, and that the appropriate arrangements shall continue to be adopted by the Company.

On 24 June 2016, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will also be proposed to grant to the Directors a general mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set out in the relevant resolutions sanctioning such mandate. Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the mandate as set out in Resolution 10 of the notice of AGM will be such number of Shares representing up to 10% of the total number of Shares in issue at the date of the passing of the resolution. A resolution authorising the extension of the general mandate to the Directors to issue Shares to include the total number of such Shares (if any) repurchased under the mandate is to be proposed as Resolution 11 at the AGM.

An explanatory statement, required by the Listing Rules to be sent to the Shareholders in relation to the repurchase mandate which will be proposed for the consideration and approval by the Shareholders in the AGM, is set out in Appendix II to this circular.

ADOPTION OF NEW SHARE OPTION SCHEME

The share option scheme adopted by the Company on 23 May 2007 (the “**2007 Share Option Scheme**”) will expire on 22 May 2017. The Board proposes to adopt the New Share Option Scheme for the Company subject to the approval of the Shareholders.

As at the Latest Practicable Date, there was a total of 5,099,887,634 Shares in issue. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date to the date of adoption of the New Share Option Scheme, the number of Shares which may fall to be allotted and issued upon exercise in full of the Options to be granted under the New Share Option Scheme would be 509,988,763 Shares, representing approximately 10% of the Shares in issue as at the Latest Practicable Date, which, together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 384,460,000 options granted under the 2007 Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules.

LETTER FROM THE BOARD

The 2007 Share Option Scheme

Under the 2007 Share Option Scheme, the Directors may at their discretion grant options to eligible persons as referred to in the 2007 Share Option Scheme to subscribe for Shares in the Company subject to the terms and conditions stipulated in the 2007 Share Option Scheme.

As at the Latest Practicable Date, 384,460,000 options granted under the 2007 Share Option Scheme were outstanding.

New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company and/or the Group. The Directors consider that the New Share Option Scheme will provide the Eligible Persons with the opportunity to acquire proprietary interests in the Company and will encourage such persons to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Persons to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the Subscription Price is also specified precisely in the rules of the New Share Option Scheme.

The Board may at its discretion include any terms, including, among other things, the minimum period for which an Option must be held and the minimum performance targets that must be reached before it can be exercised. The Directors believe that the New Share Option Scheme will provide the Board with flexibility in determining (among other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to the Eligible Persons to contribute to the Group and to attract human resources that are valuable to the Group.

A resolution will be proposed at the AGM for the Board to grant Options under the New Share Option Scheme for the subscription of not more than 10% of the total number of Shares in issue at the date of the passing of the relevant resolution.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but not limited to the exercise price, exercise

LETTER FROM THE BOARD

period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

None of the Directors shall be a trustee of the New Share Option Scheme or has a direct or indirect interest in any such trustee.

The Board (or its duly authorised committee) will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules, including Rule 17.07 and 17.09.

Conditions Precedent

The proposed adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of the necessary resolution to approve and adopt the New Share Option Scheme by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular on pages 18 to 27. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 1101A, 11/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions approving the New Share Option Scheme.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Unit 1101A, 11/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 9 June 2017 at 11:00 a.m. is set out on pages 28 to 32 of this circular. Resolutions will be proposed to approve, inter alia, the re-election of retiring Directors, the general mandates and the adoption of the New Share Option Scheme as referred to above at the AGM.

You will find enclosed a form of proxy for use at the AGM. Whether or not you intend to attend the AGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. before 11:00 a.m. on Wednesday, 7 June 2017 (Hong Kong time)) or any adjournment thereof (as the case may be). 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 (as the case may be) should you so wish.

VOTING BY POLL

Article 80 of the Articles of Association provides that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. However, under Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the Directors intend that the Chairman of the AGM shall demand voting of the resolutions put forward at the AGM by way of poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the 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.

RECOMMENDATION

The Directors consider that the re-election of retiring Directors, the granting of general mandates to issue and repurchase Shares, the extension of the general mandate to issue Shares and the adoption of the New Share Option Scheme are each in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM.

Yours faithfully,

For and on behalf of the Board

China Beidahuang Industry Group Holdings Limited

Jiang Jianjun

Chairman

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

Mr. JIANG Jianjun, aged 47, was appointed as an executive Director in March 2013, and as the chairman and the managing director of the Company in May 2013. He resigned as the managing director of the Company in March 2014. Mr. Jiang is a director of certain subsidiaries of the Company. He has been engaged in property investment and management since 1995. He also has experience in distribution of wine and liquor. Mr. Jiang is concurrently a committee member of Shenzhen Baoan District of Chinese People's Political Consultative Conference, the vice president of Shenzhen Baoan General Chamber of Commerce and Shenzhen Baoan Shajing Chamber of Commerce. He is the brother of Mr. Jiang Jiancheng, an executive Director. Other than his executive directorship with the Company, Mr. Jiang did not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years. Saving as being the brother of Mr. Jiang Jiancheng, an executive Director, Mr. Jiang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Jiang had a personal interest of 242,460,000 Shares, a family interest of 5,840,000 Shares, a corporate interest of 346,459,044 Shares and held 4,760,000 share options granted by the Company under the 2007 Share Option Scheme. Save as disclosed above, Mr. Jiang has no interest in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Jiang. He is entitled to receive a monthly remuneration of HK\$300,000 as an executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation. Mr. Jiang is subject to retirement by rotation and re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Jiang's re-election.

Dr. LOKE Yu alias LOKE Hoi Lam, aged 67, was appointed as an independent non-executive Director in June 2005. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow Member of The Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Directors and The Hong Kong Institute of Chartered Secretaries. Dr. Loke has over 40 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He is the company secretary of Minth Group Limited and serves as an independent non-executive director of VI Group Limited, Matrix Holdings Limited, China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited, Zhong An Real Estate Limited, Chiho-Tiande Group Limited, Tianjin Development Holdings Limited, China Household Holdings Limited, Tianhe Chemicals Group Limited, Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited), Forebase International Holdings Limited and Hang Sang (Siu Po) International Holding Company Limited. Dr. Loke was an independent non-executive director of Mega Medical Technology Limited from June 2014 to January 2017. The shares of these companies are listed on the Main Board of the Stock Exchange. Save as disclosed above, Dr. Loke did not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Dr. Loke held 2,500,000 share options granted by the Company under the 2007 Share Option Scheme. Save as disclosed above, Dr. Loke has no interest in the Shares within the meaning of Part XV of the SFO.

Dr. Loke entered into a letter of appointment with the Company for a term of 3 years commencing from 24 June 2014 and is subject to renewal and retirement by rotation and re-election pursuant to the Articles of Association. He is entitled to receive an annual emolument of HK\$100,000 as an independent non-executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Dr. Loke's re-election.

Mr. HO Man Fai, aged 52, was appointed as an independent non-executive Director in June 2014. He is the chairman of California Restaurant and has extensive experience in catering and management. Mr. Ho is a director of New Territories General Chamber of Commerce, a director of Hong Kong Food Science and Technology Association Limited, a director of Yuen Long Merchants Education Promotion Limited, a school manager of Yuen Long Merchants Association Primary School and a general affairs officer of Hong Kong Love & Care Charity Foundation Limited. Other than his independent non-executive directorship with the Company, Mr. Ho did not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Ho had a personal interest of 2,000,000 Shares and held 2,000,000 share options granted by the Company under the 2007 Share Option Scheme. Save as disclosed above, Mr. Ho has no interest in the Shares within the meaning of Part XV of the SFO.

Mr. Ho has entered into a letter of appointment with the Company for a term of 3 years commencing from 26 June 2014 and is subject to renewal and retirement by rotation and re-election pursuant to the Articles of Association. He is entitled to receive an annual emolument of HK\$50,000 as an independent non-executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Ho's re-election.

Mr. KE Xionghan, aged 52, was appointed as an executive Director in June 2016. He graduated from the Department of Law of Huazhong University of Science and Technology. Mr. Ke is the president of Shenzhen Tiantianwang Taige Technology Co. Ltd.* (深圳天天旺泰格科技有限公司), a company mainly engaged in the import and export business of electronic products and mineral products. He was the general manager of Indonesia Huaming Yang International Trading Company* (印尼華明陽國際貿易公司) and worked in the Bank of China, Zhanjiang Branch for over 20 years, during which period, he served as the Section Chief of Retail Business Department, Company Business Department and Credit Management Department as well as the president of the sub-branch. Other than his executive directorship with the Company, Mr. Ke did not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Ke had a personal interest of 1,000,000 Shares and held 10,000,000 share options granted by the Company under the 2007 Share Option Scheme. Save as disclosed above, Mr. Ke has no interest in the Shares within the meaning of Part XV of the SFO.

* For identification purpose only

There is no service contact between the Company and Mr. Ke. He is entitled to receive a monthly remuneration of HK\$30,000 as an executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation. Mr. Ke is subject to retirement by rotation and re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Ke's re-election.

Mr. HUANGFU Mingsheng, aged 40, was appointed as an executive Director in April 2017. He holds a Master Degree in Business Administration from Jinan University. Mr. Huangfu has extensive experience in corporate development and management. He is currently a director and shareholder of Zhongfa Junrong Technology Joint Stock Company* (中發軍融科技股份公司). Mr. Huangfu was the vice president of Kechuang Holdings Group Co., Ltd.* (科創控股集團有限公司), assistant to chairman of the board of directors of Shenzhen Hydoo International Holding Company Limited* (深圳市毅德國際控股有限公司) and executive general manager of Sri Setia Dutamas Sdn. Bhd.. Other than his executive directorship with the Company, Mr. Huangfu did not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Huangfu did not have any interest in the Shares within the meaning of Part XV of the SFO.

There is no service contact between the Company and Mr. Huangfu. He is entitled to receive a monthly remuneration of HK\$25,000 as an executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation. Mr. Huangfu is subject to retirement by rotation and re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Huangfu's re-election.

* For identification purpose only

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.

(A) SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 5,099,887,634 Shares in issue. Subject to the passing of the relevant resolution at the AGM, the Company will be allowed under the general mandate to repurchase a maximum of 509,988,763 Shares, assuming that no further Shares are issued or repurchased prior to the date of the AGM.

Shareholders should note that the repurchase mandate only covers purchases made during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required by the Articles of Association or any applicable laws to be held or the date upon which such authority is revoked or varied by the Shareholders in general meeting.

(B) REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing Shares, they believe that the repurchase mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(C) FUNDING OF REPURCHASES

Repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the Companies Law. Such funds include but are not limited to profits available for distribution.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the annual report of the Company in respect of the year ended 31 December 2016) in the event that the repurchase mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(D) SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2016	0.510	0.410
May 2016	0.445	0.375
June 2016	0.475	0.330
July 2016	0.425	0.370
August 2016	0.415	0.350
September 2016	0.485	0.380
October 2016	0.480	0.395
November 2016	0.495	0.410
December 2016	0.470	0.410
January 2017	0.450	0.405
February 2017	0.450	0.395
March 2017	0.435	0.400
April 2017 (up to the Latest Practicable Date)	0.465	0.390

(E) GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases in accordance with the Listing Rules, the Companies Law and the Articles of Association.

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the repurchase mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares held by them to the Company or have undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchase of Shares.

(F) TAKEOVERS CODE

If on the exercise of the power to repurchase 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 purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders were interested in more than 10% of the Shares in issue:

Name	Capacity and nature of interest	Number of Shares held	Approximate shareholding as at the Latest Practicable Date	Approximate shareholding upon exercise in full of the repurchase mandate
Beidahuang (HK) International Trade Co., Limited	Beneficial owner	660,000,000	12.94%	14.38%
黑龍江農墾北大荒商貿集團有限責任公司	Interest of controlled corporation	660,000,000 ^(a)	12.94%	14.38%
黑龍江北大荒農墾集團總公司	Interest of controlled corporation	660,000,000 ^(a)	12.94%	14.38%
Jiang Jianjun	Beneficial owner	242,460,000	4.75%	5.28%
	Interest of spouse	5,840,000 ^(b)	0.11%	0.13%
	Interest of controlled corporations	346,459,044 ^(c)	6.79%	7.55%

Notes:

- (a) These 660,000,000 Shares are held by Beidahuang (HK) International Trade Co., Limited, which is wholly owned by 黑龍江農墾北大荒商貿集團有限責任公司 which in turn is wholly owned by 黑龍江北大荒農墾集團總公司. Accordingly, each of 黑龍江農墾北大荒商貿集團有限責任公司 and 黑龍江北大荒農墾集團總公司 is deemed to be interested in the 660,000,000 Shares held by Beidahuang (HK) International Trade Co., Limited by virtue of the SFO.
- (b) These 5,840,000 Shares are held by Ms. Li Zhuoxun, the spouse of Mr. Jiang Jianjun.

- (c) These 346,459,044 Shares are held by King Wei Group (China) Investment Development Limited (“**King Wei**”) as to 253,259,044 Shares and China Silver Investments Development Limited (“**China Silver**”) as to 93,200,000 Shares. As King Wei and China Silver are wholly owned by Mr. Jiang Jianjun, Mr. Jiang Jianjun is deemed to be interested in the 253,259,044 Shares held by King Wei and the 93,200,000 Shares held by China Silver respectively by virtue of the SFO.

On the basis that no further Shares are issued or repurchased prior to the AGM, in the event that the Directors exercised in full the power to repurchase Shares under the repurchase mandate, the interest of the above Shareholders would be increased to such percentages shown in the last column above. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the repurchase mandate. The Directors have no present intention to exercise the repurchase mandate to such an extent that would result in the number of Shares held by the public falling below 25% of the total number of Shares in issue.

(G) SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased a total of 2,832,000 Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

Date of repurchase	Number of Shares repurchased	Purchase price per Share	
		Highest HK\$	Lowest HK\$
19 December 2016	832,000	0.440	0.435
30 December 2016	<u>2,000,000</u>	0.425	0.420
	<u><u>2,832,000</u></u>		

This Appendix summarizes the principal terms of the New Share Option Scheme.

(A) PURPOSE

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to provide incentive and/or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company and/or the Group.

(B) WHO MAY JOIN

The Board may, at its discretion, offer to grant an Option to the Eligible Persons to subscribe for such number of new Shares as the Board may determine at the Subscription Price determined in accordance with paragraph (F) below.

(C) ACCEPTANCE OF AN OFFER OF OPTIONS

An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptances of the Options duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an Option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (L), (M), (N), (O) and (P) below, an Option may be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser (as the case may be) pursuant to paragraph (R) below, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

(D) MAXIMUM NUMBER OF SHARES

The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme and under any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue at the date of the passing of the resolution for the adoption of the New Share Option Scheme (i.e. 509,988,763 Shares, assuming there is no further issue or repurchase of Shares from the Latest Practicable Date). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant Options beyond the 10% limit to Eligible Persons specifically identified by the Board. The circular to be issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Persons who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Persons with an explanation as to how the Options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (R) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the New Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (R) below whether by way of consolidation, capitalisation issue, rights issue, subdivision or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

(E) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Person in any 12-month period up to and including the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of Options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted to such person), the information as required under Rule 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Person and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Person is a connected person) abstaining from voting. The number and terms (including the Subscription Price) of Options to be granted to such person must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the Options to such Eligible Person shall be taken as the date of grant for the purpose of calculating the Subscription Price of the Shares. The Board shall forward to such Eligible Person an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
 - (aa) the Eligible Person's name, address and occupation;
 - (bb) the date on which an Option is offered to an Eligible Person which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (cc) the date upon which an offer for an Option must be accepted;
 - (dd) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (C) above;
 - (ee) the number of Shares in respect of which the Option is offered;
 - (ff) the Subscription Price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;

- (gg) the date of the notice given by the Grantee in respect of the exercise of the Option; and
- (hh) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (C) above.

(F) PRICE OF SHARES

Subject to any adjustments made as described in paragraph (R) below, the Subscription Price of a Share in respect of any particular Option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(G) GRANTING OPTIONS TO CONNECTED PERSONS

Any grant of Options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). If the Board proposes to grant Options to a substantial shareholder or any independent non-executive Director or any of their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other percentage as may be from time to time provided under the Listing Rules) of the Shares in issue; and

- (ii) having an aggregate value in excess of HK\$5 million (or such other sum as may be from time to time provided under the Listing Rules) based on the official closing price of the Shares at the date of each grant,

such further grant of Options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken by way of poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the Subscription Price) of the Options to be granted to each selected Eligible Person which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Subscription Price of such Options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(H) RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS

A grant of Options may not be made after inside information has come to the knowledge of the Company until it has been published pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no Options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to be first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement, and where an Option is granted to a Director:

- (i) no Options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(I) RIGHTS ARE PERSONAL TO GRANTEE

An Option is personal to the Grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

(J) TIME OF EXERCISE OF OPTION AND DURATION OF THE NEW SHARE OPTION SCHEME

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an Option may be exercised will be determined by the Board in its absolute discretion, save that no Option may be exercised more than 10 years after it has been granted. No Option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(K) PERFORMANCE TARGET

A Grantee may be required to achieve any performance targets as the Board may then specify in the grant before any Options granted under the New Share Option Scheme can be exercised.

(L) RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the Grantee ceases to be an employee of the Company or any of its subsidiaries

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (M) below, the Grantee may exercise the Option up to the entitlement of the Grantee as at the date of cessation (to the extent not already exercised) within a period of three month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the Option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(M) RIGHTS ON DISMISSAL

If the Grantee ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, or has been convicted of any criminal offense involving his integrity or honesty, his Option will lapse and not be exercisable after the date of termination of his employment.

(N) RIGHTS ON TAKEOVER

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Grantee shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within 30 days after the date on which the offer becomes or is declared unconditional and any Options which are not exercised within the aforesaid 30 days shall lapse.

(O) RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than five business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than three business days immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid and register the Grantee as holder thereof.

(P) RIGHTS ON SCHEME OF ARRANGEMENT

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representative) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice.

(Q) RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option will not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of Options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

(R) EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any Options so far as unexercised and/or the Subscription Price of each outstanding Option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approval independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the Grantees.

Any such alterations will be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate Subscription Price payable on full exercise of any Option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(S) EXPIRY OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the Option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (L), (M), (N), (O) or (P) above;
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (P) above becomes effective;
- (iv) subject to paragraph (O) above, the date of commencement of the winding-up of the Company;
- (v) the date on which the Grantee ceases to be an Eligible Person by reason of such Grantee's resignation from the employment of the Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph (I) above or the Options are cancelled in accordance with paragraph (U) below.

(T) ALTERATION OF THE SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the Grantees or the Eligible Persons (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any Option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the Grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

(U) CANCELLATION OF OPTIONS

Subject to paragraph (I) above, any cancellation of Options granted but not exercised must be approved by the Grantees of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (M) above.

(V) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board at any time terminate the operation of the New Share Option Scheme and in such event no further Option shall be offered but in all other respects, the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(W) ADMINISTRATION OF THE BOARD

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

NOTICE OF ANNUAL GENERAL MEETING



China Beidahuang Industry Group Holdings Limited

中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China Beidahuang Industry Group Holdings Limited (the “**Company**”) will be held at Unit 1101A, 11/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 9 June 2017 at 11:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited Consolidated Financial Statements and the reports of the directors (the “**Directors**”) and the independent auditor of the Company for the year ended 31 December 2016.
2. To re-elect Mr. Jiang Jianjun as an Executive Director.
3. To re-elect Dr. Loke Yu as an Independent Non-executive Director.
4. To re-elect Mr. Ho Man Fai as an Independent Non-executive Director.
5. To re-elect Mr. Ke Xionghan as an Executive Director.
6. To re-elect Mr. Huangfu Mingsheng as an Executive Director.
7. To authorise the Board of Directors to fix the Directors’ remuneration.
8. To re-appoint CHENG & CHENG LIMITED as auditor of the Company and to authorise the Board of Directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and options which would or might require Shares to be allotted, issued or dealt with be generally and unconditionally approved;
- (b) the Directors be authorised to make offers or agreements or grant options during the Relevant Period (as defined in paragraph (d) below) which would or might require Shares to be allotted and issued either during or after the end of the Relevant Period pursuant to paragraph (a) above;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approvals in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below) 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 and/or any eligible grantee pursuant to the scheme of Shares or rights to acquire Shares, 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 in accordance with the articles of association of the Company, shall not in total exceed 20% of the total number of Shares in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

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

- 10. 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 in paragraph (c) below) of all the powers of the Company to purchase its own Shares, subject to and in accordance with the applicable laws, rules and regulations of The Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited and paragraph (b) of this resolution, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”.

NOTICE OF ANNUAL GENERAL MEETING

11. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the ordinary resolutions no. 9 and 10 as set out in the notice convening this meeting, the general mandate granted to the Directors pursuant to the ordinary resolution no. 9 as set out in the notice convening this meeting to exercise the powers of the Company to allot, issue and deal with the Shares be and is hereby extended by the addition thereto of such number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution no. 10 as set out in the notice convening this meeting, provided that such number of Shares so repurchased shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution.”.

SPECIAL BUSINESS

12. As a special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares of the Company (“**Shares**”) falling to be issued pursuant to the exercise of any options granted under the new share option scheme (the “**New Share Option Scheme**”) referred to in the circular dispatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the Meeting and for the purpose of identification signed by the Chairman hereof, the New Share Option Scheme be approved and adopted to be the share option scheme of the Company and that the Directors be authorised to grant options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement such New Share Option Scheme.”.

By Order of the Board
China Beidahuang Industry Group Holdings Limited
CHAN Kwong Leung, Eric
Company Secretary

Hong Kong, 26 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. before 11:00 a.m. on Wednesday, 7 June 2017 (Hong Kong time)) or any adjournment thereof (as the case may be).
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The Register of Members of the Company will be closed from Tuesday, 6 June 2017 to Friday, 9 June 2017 (both days inclusive) during which period no transfer of Shares will be registered and effected. In order to qualify for attending and voting at the meeting, all transfers of Shares accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 5 June 2017.
5. An Explanatory Statement containing further details regarding ordinary resolution no. 10 as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be dispatched to the shareholders of the Company together with this notice of meeting.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be adjourned. The Company will publish an announcement on the website of the Company at www.irasia.com/listco/hk/chinabeidahuang and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the adjourned meeting.
7. As at the date hereof, the Executive Directors of the Company are Mr. Jiang Jianjun, Mr. Jiang Jiancheng, Mr. Ke Xionghan and Mr. Huangfu Mingsheng; the Non-executive Directors of the Company are Ms. Ho Wing Yan and Ms. Zhang Yujie; and the Independent Non-executive Directors of the Company are Dr. Loke Yu alias Loke Hoi Lam, Mr. Li Xiaofeng and Mr. Ho Man Fai.