
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares of EYANG Holdings (Group) Co., Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee. Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



EYANG HOLDINGS (GROUP) CO., LIMITED

宇陽控股(集團)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 117)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 31 May 2010 at 11:00 a.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company’s website at www.szeyang.com.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at 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, Wanchai, 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 or any adjournment thereof. 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 should you so wish.

29 April 2010

* For identification purpose only

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DEFINITIONS

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

| | |
|---------------------------|--|
| “AGM” | the annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 31 May 2010 at 11:00 a.m., the notice of which is set out on pages 14 to 18 of this Circular |
| “Articles of Association” | the articles of association of the Company, and “Article” shall mean an article of the Articles of Association |
| “associate(s)” | has the meaning ascribed to this term under the Listing Rules |
| “Board” | the board of Directors |
| “Company” | EYANG Holdings (Group) Co., Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Issuance Mandate” | the general mandate proposed to be granted to the Directors at the AGM to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the aggregate nominal share capital of the Company in issue at the date of the passing of such resolution |
| “Latest Practicable Date” | 23 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

DEFINITIONS

| | |
|----------------------|---|
| “PRC” | the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Region |
| “Repurchase Mandate” | the general mandate proposed to be granted to the Directors at the AGM to repurchase up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent. |

LETTER FROM THE BOARD



EYANG HOLDINGS (GROUP) CO., LIMITED

宇陽控股（集團）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 117)

Executive Directors:

Mr. Chen Weirong (*Chairman*)

Mr. Liao Jie

Non-executive Directors:

Ms. Shuang Mei

Mr. Cheng Wusheng

Mr. Li Heqiu

Mr. Zhang Zhilin

Mr. Chen Hao

Independent non-executive Directors:

Mr. Pan Wei

Mr. Liu Huanbin

Mr. Chu Kin Wang, Peleus

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

8th Floor

Tien Chu Commercial Building

173-174 Gloucester Road

Wanchai

Hong Kong

29 April 2010

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide Shareholders with information regarding the resolutions to be proposed at the Annual General Meeting to approve, inter alia, (i) the re-election of Directors and (ii) the grant of the Issuance Mandate and Repurchase Mandate, and the extension of the Issuance Mandate by addition thereon of an amount equivalent to the aggregate nominal amount of the share capital repurchased by the Company.

* *For identification purpose only*

LETTER FROM THE BOARD

DECLARATION OF FINAL DIVIDEND

The Board has recommended a final cash dividend of HK\$2.6 cents (equivalent to approximately RMB2.29 cents) per share for the year ended 31 December 2009. The register of members of the Company will be closed from Thursday, 27 May 2010 to Monday, 31 May 2010 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 26 May 2010. Subject to Shareholders' approval, such final dividend will be paid on or about 30 June, 2010.

RE-ELECTION OF DIRECTORS

According to Article 87(1) of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election. Mr. Li Heqiu, Mr. Chu Kin Wang, Peleus and Mr. Liu Huanbin shall retire from their offices as Directors by rotation at the AGM. Save and except Mr. Li Hequi who will not seek re-election at the AGM in order to devote more time to his own business, all the retiring Directors, being eligible, will offer themselves for re-election.

With reference to the announcement by the Company dated 19 April 2010, Mr. Xu Chuncheng will be appointed as an executive Director with effect from 1 May 2010. In accordance with Article 86 of Articles of Association, his term will expire at the conclusion of the AGM and being eligible, he will offer himself for re-election.

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

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 1 June, 2009, approval was given by the Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with the Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company; and (ii) to repurchase the Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company. In accordance with the terms of the approval, these general mandates will expire upon the conclusion of the forthcoming AGM. In order to give the Company the flexibility to issue and repurchase Shares for the interests of the Shareholders, ordinary resolutions will be proposed at

LETTER FROM THE BOARD

the AGM to grant to the Directors (i) the Issuance Mandate and (ii) the Repurchase Mandate. Subject to the approval by the Shareholders for granting the Issuance Mandate and Repurchase Mandate, an ordinary resolution to authorise the Directors to extend the power under the Issuance Mandate to allot, issue and deal with Shares by adding to it the aggregate nominal amount of share capital of the Company repurchased by the Company will also be proposed for approval by the Shareholders at the AGM.

The Directors have no immediate plans to issue any new Shares pursuant to the relevant mandates other than Shares which may fall to be issued under the share option scheme of the Company.

Subject to the passing of the resolution granting the proposed Issuance Mandate, the Company will be allowed to allot and issue up to a maximum of 81,100,000 Shares, being 20% of the issued share capital of the Company, based on the 405,500,000 Shares in issue as at the Latest Practicable Date assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the date of the AGM.

The Issuance Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

An explanatory statement containing the particulars required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular.

AGM AND PROXY ARRANGEMENT

A notice convening the AGM is set out on pages 14 to 18 of this circular. Ordinary resolutions in respect of, inter alia, the re-election of retiring Directors, the grant of the Issuance Mandate, Repurchase Mandate and an extension of the Issuance Mandate will be proposed at the AGM.

Pursuant to the amendments to the Listing Rules, which came into force on 1 January 2009, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM pursuant to Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A proxy form for the AGM is enclosed with this circular. If you are not able to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investors Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the proposed granting of the Issuance Mandate, Repurchase Mandate and the extension of the Issuance Mandate are each in the best interests of the Company and the Shareholders as a whole and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board
EYANG Holdings (Group) Co., Limited
Chen Weirong
Chairman

Mr. Xu Chuncheng

Mr. Xu Chuncheng (徐純誠), aged 48, will be appointed as executive Director of the Company with effect from 1 May 2010. Mr. Xu currently is the chief financial officer of the Company. He is responsible for overall financial and strategic planning of the Group. Mr. Xu was also appointed as the deputy general manager of MLCC division of the Group in October 2009. Mr. Xu graduated from 湖南師範學院 (Hunan Normal College*, now known as 湖南師範大學, Hunan Normal University*) in 1982 with a bachelor's degree in science. He obtained a master's degree in quantitative economics from 長沙鐵道學院 (Changsha Railway College*, now known as 中南大學 Central South University*) in 1987 and further obtained a doctoral degree in international finance from the Graduate School of the People's Bank of China in 1996. From 1987 to 1992, he was the supervisor of research division of The People's Bank of China, Hunan Branch where he was responsible for the research of macroeconomics and finance. From 1994 to 1998, he was the deputy general manager of international business and merchant banking divisions under China Merchants Bank, Headquarters where he was responsible for the management of foreign exchange policies and international finance business. Prior to joining the Group in August 2006, Mr. Xu worked in Konka Group and Konka Telecommunications Technology as deputy chief financial officer and chief financial officer respectively where he was in charge of strategic corporate financial planning and international trading from 1998 to 2006. Mr. Xu did not hold any directorships in other listed companies in Hong Kong or overseas in the past three years.

Mr. Xu. has no fixed term of service with the Company. However, his appointment as an executive director is subject to retirement and re-election at the coming annual general meeting pursuant to the Articles of Association. The emoluments of Mr. Xu will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company and the prevailing market level of remuneration of similar positions.

Save as disclosed above, Mr. Xu does not have any relationship with any other Directors, senior management and substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Xu was interested in 2,000,000 share options granted under the share option scheme adopted on 30 November 2007. Save as disclosed above, Mr. Xu had no other interests in Shares or underlying shares within the meaning of Part XV of SFO.

There is no information relating to Mr. Xu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters concerning Mr. Xu that need to be brought to the attention of the Shareholders.

* *the English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

Mr. Liu Huanbin

Mr. Liu Huanbin (劉煥彬), aged 68, is an Independent Non-executive Director of the Company. Mr. Liu graduated from 華南工學院 (South China Institute of Technology*, now known as 華南理工大學, South China University of Technology*) in 1965 with a bachelor's degree in engineering. He holds professorship in chemical engineering in 華南理工大學 (South China University of Technology*), and was later promoted to the principal of the university for the tenure from May 1995 to September 2003. In 2001, Mr. Liu was awarded as a foreign academician by Academy of Engineering of Russia. He is currently a professor in the South China University of Technology. He was appointed as an Independent Non-executive Director of the Company in April 2007.

Mr. Liu has entered into a service agreement with the Company on 30 November 2007 for an initial fixed term of three years commencing from the date of the listing of Shares on the Stock Exchange and will continue thereafter until terminated by not less than three months notice in writing served by either party on the other, or in accordance with the terms of the service contract. However, his appointment is subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. Pursuant to the service agreement, Mr. Liu is entitled to receive a fixed director's fee of RMB84,000 per annum. The emoluments of Mr. Liu are determined by the Board with reference to his duties and responsibilities with the Company and the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Liu does not have any relationship with any other Directors, senior management and substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Liu was not interested in Shares within the meaning of Part XV of SFO.

There is no information relating to Mr. Liu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders.

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Mr. Chu Kin Wang, Peleus

Mr. Chu Kin Wang, Peleus (朱健宏), aged 45, is an Independent Non-executive Director of the Company since April 2007. Mr. Chu is also the chairman of the audit committee of the Board. Mr. Chu has over 20 years of experience in corporate finance, audit, accounting and taxation. Mr. Chu is the company secretary of Hong Long Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1383), responsible for corporate finance, financial reporting and compliance and company secretarial matters. Mr. Chu is also an executive director of Chinese People Holdings Company Limited (中民控股有限公司) (stock code: 681), and an independent non-executive director of Bright Prosperous Holdings Limited (晉盈控股有限公司) (stock code: 723) and Huayu Expressway Group Limited (華昱高速集團有限公司) (stock code: 01823), all are companies listed on the Main Board of the Stock Exchange. During the period from September 2005 to March 2007 Mr. Chu was the executive director of Mastermind Capital Limited (慧德投資有限公司), during the relevant period known as Haywood Investments Limited, a company listed on the Main Board of the Stock Exchange (stock code: 905). Mr. Chu graduated from The University of Hong Kong with a Master Degree in Business Administration in 1998. Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chu is also an associate member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.

Mr. Chu has entered into a service agreement with the Company on 30 November 2007 for an initial fixed term of three years commencing from the date of the listing of Shares on the Stock Exchange and will continue thereafter until terminated by not less than three months notice in writing served by either party on the other, or in accordance with the terms of the service contract. However, his appointment is subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. Pursuant to the service agreement, Mr. Chu is entitled to receive a fixed director's fee of HKD120,000 per annum. The emoluments of Mr. Chu are determined by the Board with reference to his duties and responsibilities with the Company and the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Chu does not have any relationship with any other Directors, senior management and substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Chu was not interested in Shares within the meaning of Part XV of SFO.

There is no information relating to Mr. Chu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters concerning Mr. Chu that need to be brought to the attention of the Shareholders.

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

1. REPURCHASE OF SHARES FROM CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing Shares on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its Shares to the Company.

No 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 to the Company or have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 405,500,000 fully paid Shares. Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are to be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,550,000 fully paid Shares.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share. The Directors have no present intention to repurchase any Share pursuant to the proposed repurchase mandate and they will exercise the power to repurchase Shares only when they believe that such repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2009, being the date of its latest published audited consolidated accounts, in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

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

| Month | Share Prices | |
|---|-------------------|------------------|
| | Highest (HK\$) | Lowest (HK\$) |
| 2009 | | |
| April | 0.58 | 0.20 |
| May | 0.63 | 0.44 |
| June | 0.63 | 0.55 |
| July | 0.64 | 0.49 |
| August | 0.65 | 0.47 |
| September | 0.60 | 0.50 |
| October | 0.84 | 0.52 |
| November | 0.85 | 0.63 |
| December | 0.75 | 0.58 |
| 2010 | | |
| January | 0.83 | 0.61 |
| February | 0.86 | 0.66 |
| March | 0.84 | 0.79 |
| April (up to the Latest Practicable Date) | 0.90 | 0.78 |

6. EFFECTS OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes 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 become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the controlling Shareholders, comprising Mr. Chen Weirong⁽¹⁾, Mr. Zhang Zhilin⁽²⁾, Mr. Cheng Wusheng⁽³⁾, Mr. Zhou Penghong⁽⁴⁾ and Mr. Luo Chaoen⁽⁵⁾ who act in concert (the “Controlling Shareholder”), is aggregately interested in 219,852,000 Shares, representing 54.22% of the total issued share capital of the Company. Assuming that no further Shares are issued or repurchased prior to the AGM and in the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interest of the Controlling Shareholder would be increased to 60.24% of the total issued share capital of the Company. In such circumstances, the Controlling Shareholder will not be obligated to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of Shares made under the Repurchase Mandate. The Directors also have no intention to repurchase Shares to such an extent which will result in the number of Shares held by the public being reduced to less than 25%.

Note:

- (1) Mr. Chen Weirong, the executive director and chief executive officer of the Company, legally owns 100% of issued capital of both Eversharp Management Limited and Everbright Management Limited. The two companies own 42.71% and 36.01% respectively of issued capital of EY SHINE Management Limited. EY SHINE Management Limited in turn owns 100% of the issued capital of EY Ocean Management Limited, and EY Ocean Management Limited had registered an aggregated interest in 158,044,000 Shares. Pursuant to the provisions of SFO, Mr. Chen is deemed to be interested in all Shares held by EY Ocean Management Limited.
- (2) Mr. Zhang Zhilin legally owns 100% of issued capital of ZHILIN Management Limited, which has registered an aggregated interest in 23,106,000 Shares. Mr. Zhang is therefore indirectly interested in all the Shares held by ZHILIN Management Limited.
- (3) Mr. Cheng Wusheng legally owns 100% of issued capital of WUSHENG Management Limited, which has registered an aggregated interest in 16,174,000 Shares. Mr. Cheng is therefore indirectly interested in all the Shares held by WUSHENG Management Limited.
- (4) Mr. Zhou Penghong legally owns 100% of issued capital of PENGHONG Management Limited, which has registered an aggregated interest in 9,820,000 Shares. Mr. Zhou is therefore indirectly interested in all the Shares held by WUSHENG Management Limited.
- (5) Mr. Luo Chaoen legally owns 100% of issued capital of CHAOEN Management Limited, which has registered an aggregated interest in 12,708,000 Shares. Mr. Luo is therefore indirectly interested in all the Shares held by CHAOEN Management Limited.

7. SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceeding the Latest Practicable Date.

8. DIRECTOR'S UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries Shares if the Repurchase Mandate is approved by the Shareholders at the AGM.

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

NOTICE OF AGM



EYANG HOLDINGS (GROUP) CO., LIMITED

宇陽控股(集團)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 117)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of EYANG Holdings (Group) Co., Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Monday, 31 May 2010 at 11:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors and of the auditor for the year ended 31 December 2009;
2. to declare a final cash dividend of HK\$2.6 cents (equivalent to approximately RMB2.29 cents) per share for the year ended 31 December 2009;
3.
 - (a) to re-elect Mr. Xu Chuncheng as director;
 - (b) to re-elect Mr. Chu Kin Wang, Peleus as director;
 - (c) to re-elect Mr. Liu Huanbin as director; and
 - (d) to authorise the board of directors to fix the directors’ remuneration;
4. to re-appoint Ernst & Young as Auditors of the Company and to authorise the board of directors to fix their remuneration;

to consider, as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

5. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* *For identification purpose only*

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF AGM

- (ii) 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, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (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 of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of 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 articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”
7. “**THAT** subject to the ordinary resolutions no. 5 and 6 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 5 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued Shares at the date of the passing of this Resolution”.

By order of the Board
EYANG Holdings (Group) Co., Limited
Chen Weirong
Chairman

Hong Kong, 29 April 2010

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
8th Floor
Tien Chu Commercial Building
173-174 Gloucester Road
Wanchai
Hong Kong

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Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of 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, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from Thursday, 27 May 2010 to Monday, 31 May 2010 (both days inclusive), during which period no transfer of shares in the Company was effected. In order to be eligible to attend and vote at the annual general meeting and to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 May 2010.
4. In relation to proposed resolutions no. 5 and 7 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any Shares other than the Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be approved by shareholders.
5. In relation to proposed resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to this circular.
6. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all the resolutions set out in this notice shall be decided by poll.