

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.

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EYANG

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
AND APPOINTMENT 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 the conference room on 1/F of EYANG Building, No. 3, Qimin Road, Langshan Road 2, North of High and New Tech Zone, Nanhsan District, Shenzhen, PRC on Wednesday, 18 September 2013 at 2:00 p.m. is set out on pages 16 to 20 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.

* *For identification purpose only*

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at the conference room on 1/F of EYANG Building, No. 3, Qimin Road, Langshan Road 2, North of High and New Tech Zone, Nanhsan District, Shenzhen, PRC on Wednesday, 18 September 2013 at 2:00 p.m., the notice of which is set out on pages 16 to 20 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
“Connected person”	has the meaning ascribed to this terms under the Listing Rules
“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”	16 August 2013, 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 of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Region

DEFINITIONS

“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.

EYANG

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

Mr. Xu Chuncheng

Mr. Jing Wenping

Non-executive Directors:

Mr. Chen Hao

Mr. Cheng Wusheng

Mr. Zhang Zhilin

Independent non-executive Directors:

Mr. Chu Kin Wang, Peleus

Mr. Pan Wei

Mr. Liu Huanbin

Mr. Liang Rong

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

20 August 2013

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR RE-ELECTION
AND APPOINTMENT 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 and appointment 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

RE-ELECTION AND APPOINTMENT OF DIRECTORS

Pursuant 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. Accordingly, Mr. Chu Kin Wang, Peleus, Mr. Liu Huanbin and Mr. Xu Chuncheng shall retire from office by rotation at the forthcoming AGM. Save as Mr. Xu Chuncheng who will not offer himself for re-election, all the retiring Directors, being eligible, will offer themselves for re-election.

With reference to the announcement of the Company dated 7 May 2013, Mr. Jing Wenping was appointed as an executive Director and Mr. Liang Rong was appointed as an independent non-executive Director with effect from 7 May 2013. In accordance with Article 86(3) of Articles of Association, their term of appointment will expire at the conclusion of the AGM and being eligible, they will offer themselves for re-election.

Besides, the Board proposes to appoint Mr. Wang Ye as the executive director of the Company and the Board also proposes to appoint Mr. Mak Ka Wing, Patrick as the independent non-executive directors of the Company subject to the approval of the shareholders at the AGM. The biographical details of Mr. Wang Ye and Mr. Mak Ka Wing, Patrick are set out in Appendix I to this circular. Mr. Mak Ka Wing, Patrick is a practising solicitor and has ample experience in acting as independent non-executive directors of listed companies and the Directors consider having Mr. Mak Ka Wing, Patrick on board would help to enhance the Group's corporate governance. After making specific enquiries and after considering the factors set out in rule 3.13 of the Listing Rules, the Directors are satisfied that Mr. Mak Ka Wing, Patrick is independent under the meaning of the Listing Rules.

Pursuant to Rule 13.74 of the Listing Rules, 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 21 June 2012, 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 the AGM to grant to the Directors the Issuance Mandate and 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.

LETTER FROM THE BOARD

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 16 to 20 of this circular. Ordinary resolutions in respect of, inter alia, the re-election and appointment of 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 Listing Rules and the Articles of Association, 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.

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, as the case may be. 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the proposed appointment of executive Director and independent non-executive Director, 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. Unless otherwise stated in case of any inconsistency between the English and the Chinese translation of this circular, the English version shall prevail.

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

- (A) The following is the information required to be disclosed under the Listing Rules on the Directors standing for re-election at the AGM:

Mr. Chu Kin Wang, Peleus

Mr. Chu Kin Wang, Peleus (朱健宏), aged 49, is the Company's independent non-executive Director since April 2007. He 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 an executive director of Chinese People Holdings Company Limited (stock code: 00681) and an independent non-executive director of China Vehicle Components Technology Holdings Limited (stock code: 01269), Huayu Expressway Group Limited (stock code: 01823), Flyke International Holdings Limited (stock code: 01998), EDS Wellness Holdings Limited (formerly known as "China AU Group Holdings Limited") (stock code: 08176) and Telecom Service One Holdings Limited (stock code: 08145). During the period from September 2005 to March 2007 Mr. Chu was an executive director of Mastermind Capital Limited (stock code: 00905). Mr. Chu was an independent non-executive director of Bright Prosperous Holdings Limited (stock code: 00723) from January 2008 to August 2010. All of the aforementioned companies are companies listed on either the Main Board or Growth Enterprise Market ("GEM") Board of the Stock Exchange. Mr. Chu graduated from The University of Hong Kong with a Master Degree in Business Administration. 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. The service agreement was subsequently renewed for three years in November 2010. 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 and that Mr. Chu did not hold any directorship in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Chu was not interested in Shares or underlying shares of the Company 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.

Mr. Liu Huanbin

Mr. Liu Huanbin (劉煥彬), aged 71, 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. The service agreement was subsequently renewed for three years in November 2010. 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 and that Mr. Liu did not hold any directorships in other listed companies in Hong Kong or overseas in the past three years. As at the Latest Practicable Date, Mr. Liu was not interested in Shares or underlying shares of the Company 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. Jing Wenping

Mr. Jing Wenping (敬文平), aged 31, is an executive Director of the Company appointed on 7 May 2013. Mr. Jing is the deputy general manager of MLCC division of the Group. He is in charge of the Group's MLCC product management, including development, quality and production. Following his graduation from 電子科技大學 (University of Electronic Science and Technology China*) in 2005, Mr. Jing started his career in the Group and was promoted to the deputy factory director of the MLCC Production Centre in February 2008. He left the Group in April 2009, but rejoined later on in January 2012. He was appointed as an Executive Director of the Company in May 2013. Save as otherwise disclosed, Mr. Jing did not hold any directorships in other listed companies in Hong Kong or overseas in the past three years.

Mr. Jing has not entered into a service contract as an executive director with the Company but is subject to retirement and re-election at the AGM of the Company in accordance with the Articles of Association of the Company. Thereafter, he is subject to normal retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. On the basis of recommendation by the remuneration committee of the Company, the Board determines the amount of emoluments of Mr. Jing with reference to his duties and responsibilities and the market rate for a similar position. Mr. Jing is entitled to a total emolument of approximately RMB156,000 per annum.

Mr. Jing was interested in 300,000 share options granted under the share option scheme adopted on 30 November 2007, which were lapsed in April 2009. As at the Latest Practicable Date, Mr. Jing did not have any interest in Shares or underlying shares within the meaning of Part XV of SFO.

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

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Mr. Liang Rong

Mr. Liang Rong (梁榮), aged 48, is an independent non-executive Director of the Company appointed on 7 May 2013. Mr. Liang attained his master's degree in science from 中國科學院光電技術研究所 (the Institute of Optics and Electronics of Chinese Academy of Sciences*) when he graduated in 1989. As the executive vice president and director cum president of 康佳集團股份有限公司 (Konka Group Co., Ltd.*) previously, Mr. Liang has served as the director and general manager of 深圳市唯科通信科技有限公司 (Shenzhen Vcall Communications & Technology Ltd.*) (formerly 深圳市維科通信科技有限公司 (Shenzhen Weike Communications Technology Co., Ltd.*) and 深圳市福瑞德通信科技有限公司 (Shenzhen Furuide Communication Technology Co., Ltd.)) since 2003. He has been the director of Zhong Shan City Richsound Electronic Industrial Ltd.* since 2010. Save as otherwise disclosed, Mr. Liang did not hold any directorships in other listed companies in Hong Kong or overseas in the past three years.

Mr. Liang has not entered into a service contract as an independent non-executive director with the Company but is subject to retirement and re-election at the AGM of the Company in accordance with the Articles. Thereafter, he is subject to normal retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. On the basis of recommendation by the remuneration committee of the Company and with reference to his duties and responsibilities and the market rate for a similar position, Mr. Liang is entitled to a director fee of HKD84,000 per annum.

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

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

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- (B) The following is the information required to be disclosed under the Listing Rules on the appointment of Director at the Annual General Meeting:

Mr. Wang Ye

Mr. Wang Ye (王曄) was born in 1967 and graduated from the Department of Chemistry of 南昌職業技術師範學院 (Nanchang Technology and Education College*) (now known as 江西科技師範大學 (Jiangxi Science & Technology Normal University*)) with a degree in Applied Chemistry in 1989. He obtained a postgraduate degree and a master's degree in MBA from 中南財經政法大學 (the College of Management of Zhongnan University of Economics and Law*) in 2008. From 1989 to 1999, he served on 江西省經貿委 (the Provincial Economic and Trade Commission in Jiangxi*), where he was appointed as engineer and director in a printed circuit company under the Commission. From 2000 to 2004, he was the MD Manager of 博羅康佳印製板有限公司 (Boluo Konka Printed Board Co., Ltd.*), a member of 康佳集團股份有限公司 (“Konka Group Co., Ltd.*”). Since 2004, he has been serving 深圳宇陽科技發展有限公司 (Shenzhen Eyang Technology Development Co., Ltd.*) as production factory manager and chief manager of the manufacturing centre. Currently, he is the general manager of 安徽金宇陽電子科技有限公司 (Anhui Jineyang Electronic Technology Co., Ltd*). Mr. Wang did not hold any directorships in other listed companies in Hong Kong or overseas in the past three years.

Mr. Wang has not entered into a service contract as an executive director with the Company but is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. On the basis of recommendation by the remuneration committee of the Company, the Board will determine the amount of emoluments of Mr. Wang with reference to his duties and responsibilities and the market rate for a similar position.

Mr. Wang was interested in 2,400,000 Shares of the Company. Save as disclosed above, Mr. Wang had no other interests in Shares or underlying shares of the Company within the meaning of Part XV of SFO.

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

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Mr. Mak Ka Wing, Patrick

Mr. Mak Ka Wing, Patrick (麥家榮), aged 49, is a registered solicitor of the High Court of Hong Kong and a managing partner of Patrick Mak & Tse Solicitors. Mr. Mak has over 10 years legal experience as a practising solicitor. Mr. Mak was awarded the Common Professional Examination Certificate in Laws by the University of Hong Kong in 1995 and was awarded his Postgraduate Certificate in Laws (P.C.LL) by the University of Hong Kong in 1998. On 21 April 2001, Mr. Mak admitted as a solicitor of the High Court of Hong Kong. Mr. Mak was appointed as a civil celebrant of Marriages by the Deputy Registrar of Marriages of Hong Kong in October 2008 and would last for 5 years till October 2013. In December 2012, Mr. Mak was appointed as the attesting officer of the Association of China — Appointed Attesting Officers Limited.

Mr. Mak served as an independent non-executive director and non-executive director of China Kingston Mining Holdings Limited (stock code: 1380) for the period from 6 February 2013 to 16 April 2013 and from 17 April 2013 to 13 June 2013 respectively. Currently, Mr. Mak is an independent non-executive director of both Karce International Holdings Company Limited (stock code: 1159), U-RIGHT International Holdings Limited (Provisional Liquidators Appointed) (stock code: 627) and FU JI Food and Catering Services Holdings Limited (stock code: 01175). Mr. Mak is also a director of Asia Green Agriculture Corporation (OTCBB: AGAC) which was incorporated under the laws of the State of Nevada, USA. Save as disclosed above, Mr. Mak does not hold any directorship in other listed companies in Hong Kong or overseas in the past three years.

Mr. Mak has not entered into a service contract as an independent non-executive director with the Company but is subject to normal retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. The Board will determine the amount of emoluments of Mr. Mak on the basis of recommendation by the remuneration committee of the Company and with reference to his duties and responsibilities and the market rate for a similar position.

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

There is no information relating to Mr. Mak that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Mak 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 to be granted under Rule 10.06 of the Listing Rules.

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 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\$)
2012		
August	0.80	0.70
September	0.85	0.74
October	0.85	0.75
November	0.79	0.72
December	0.76	0.69
2013		
January	0.80	0.70
February	0.70	0.64
March	0.73	0.65
April	N/A*	N/A*
May	N/A*	N/A*
June	N/A*	N/A*
July	N/A*	N/A*
August (up to the Latest Practicable Date)*	—	—

* Trading in the shares of the Company has been suspended since 2 April 2013.

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 purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Chen Weirong, Ms. Shuang Mei, Mr. Liao Jie, Mr. Zhang Zhilin, Mr. Cheng Wusheng, and Mr. Luo Chaoen who act in concert (together the "Concert Group"), are together beneficially interested in 195,032,000 Shares, representing 48.09% 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 Repurchase Mandate, the total interest of the Concert Group would be increased to 53.44% of the total issued share capital of the Company, and such increase would give rise to an obligation to make a general offer for Shares under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Share to the extent that will give rise to an obligation on any party to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors presently have no 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 aggregate nominal amount of the issued share capital of the Company.

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 preceding 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.

No connected person of the Company has notified the Company that he has a present intention to sell any shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

EYANG

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 the conference room on 1/F of EYANG Building, No. 3, Qimin Road, Langshan Road 2, North of High and New Tech Zone, Nanhsan District, Shenzhen, PRC, on Wednesday, 18 September 2013 at 2:00 p.m. for the following purpose:

AS ORDINARY BUSINESS

1. (a) to re-elect Mr. Chu Kin Wang, Peleus as an independent non-executive Director;
 - (b) to re-elect Mr. Liu Huanbin as an independent non-executive Director;
 - (c) to re-elect Mr. Jing Wenping as an executive Director;
 - (d) to re-elect Mr. Liang Rong as an independent non-executive Director;
 - (e) to appoint Mr. Wang Ye as an executive Director;
 - (f) to appoint Mr. Mak Ka Wing, Patrick as an independent non-executive Director; and
 - (g) to authorise the board of directors to fix the Directors’ remuneration.
2. to re-appoint CCIF CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration;

AS SPECIAL BUSINESS

to consider, if thought fit, pass the following resolutions as Ordinary Resolutions with or without amendments as indicated below:

3. “**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,

* *For identification purpose only*

NOTICE OF AGM

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;

- (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;
- (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 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;

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“**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, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

4. “**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
- (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.”

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5. “**THAT** subject to the passing of ordinary resolutions no. 3 and 4 above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares pursuant to resolution no. 3 above be and is hereby extended by the addition thereto 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. 4 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued Shares as at the date of the passing of this resolution.”

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

Hong Kong, 20 August 2013

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

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 Monday, 16 September 2013 to Wednesday, 18 September 2013 (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 meeting, 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 Friday, 13 September 2013.
4. In relation to proposed resolutions no. 3 and 5 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.

NOTICE OF AGM

5. In relation to proposed resolution no. 4 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 the circular of the Company dated 20 August 2013.
6. At the meeting, the chairman of the meeting will exercise his power under Article 69 of the articles of association of the Company to put each of the above resolutions to the vote by way of a poll as required by Rule 13.39(4) of the Listing Rules.
7. Should there be any discrepancies between the English and the Chinese versions, the English version shall prevail.