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Silver Base Group Holdings Limited

銀基集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 886)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Silver Base Group Holdings Limited (the “Company”) will be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 20 August 2012 at 2:30 p.m. (or any adjournment thereof) for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “Directors”) and auditors of the Company for the year ended 31 March 2012.
2. To declare and approve a final dividend for the year ended 31 March 2012 of HK\$0.05 per ordinary share of the Company.
3.
 - (a) To re-elect Mr. Wang Jindong as executive Director.
 - (b) To re-elect Ms. Cheung Mei Sze as executive Director.
 - (c) To re-elect Mr. Wu Jie Si as non-executive Director.
 - (d) To re-elect Mr. Hung Sui Kwan as independent non-executive Director.
 - (e) 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.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of the Company (the “Shares”) or securities convertible or exchangeable into 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 the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution 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) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of any options granted under the existing share option scheme of the Company;
 - (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 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 resolution no. 6),

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, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Law”) or any other applicable laws 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. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase 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 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 laws 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.”

7. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“THAT the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 5 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

8. “**THAT** conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution):
- (a) upon the recommendation of the Directors, such amount standing to the credit of the share premium account of the Company be capitalized and the Directors be and are hereby authorised to apply such amount in paying up in full at par such number of new Shares of HK\$0.10 each in the capital of the Company (“Bonus Shares”) on the basis of 1 Bonus Share for every 40 existing Shares on the Record Date (as defined below), and the Directors be authorised to allot, issue and distribute the Bonus Shares, which are credited as fully paid, to the members of the Company whose names appear on the principal or branch register of members of the Company in Hong Kong (the “Register of Members”) as at the close of business on Monday, 27 August 2012 (the “Record Date”), other than those members (the “Excepted Shareholders”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Listing Rules and the memorandum and articles of association of the Company, on the basis of 1 Bonus Share for every 40 existing Shares of HK\$0.10 each in the capital of the Company then held by them respectively (“Bonus Issue”), and the Directors be authorised to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;
 - (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum and articles of association of the Company and, rank pari passu in all respects with the existing issued Shares of HK\$0.10 each in the capital of the Company, except that they will not be eligible for the Bonus Issue of Shares mentioned in this resolution and the final dividend mentioned in resolution no. 2 above;
 - (c) the Directors be and hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and
 - (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

SPECIAL RESOLUTIONS

9. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

“**THAT** the articles of association of the Company be amended in the following manner:

- (a) Article 2

By inserting the following new definition of “substantial shareholder” immediately after the definition of “Subsidiary and Holding Company”:

““substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”

- (b) Article 44

By deleting the words “on every business day” and substituting therefor “during business hours”

- (c) Article 66

By deleting the existing Article 66 in its entirety and replacing therewith the following new Articles 66(1) and 66(2):

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed

by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”

(d) Article 67

By deleting the existing Article 67 in its entirety and replacing therewith the following new Article 67:

“67. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be

conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(e) Article 81(2)

By inserting the words “including, where a show of hands is allowed, the right to vote individually on a show of hands” before the full stop in the last sentence.

(f) Article 100(1)(iv)

By inserting the word “or” at the end of the last sentence of Article 100(1)(iv).

(g) Articles 100(1)(v) and 100(1)(vi)

By deleting the existing Article 100(1)(v) in its entirety and re-numbering Article 100(1)(vi) as Article 100(1)(v).

(h) Articles 100(2), 100(3) and 100(4)

By deleting the existing Article 100(2) and Article 100(3) in their entirety and renumbering Article 100(4) as Article 100(2).

(i) Article 119

By inserting the following new sentence after the last sentence in Article 119:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

10. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

“**THAT** subject to the passing of resolution no. 9 above, the amended and restated articles of association of the Company consolidating all of the proposed amendments set out in resolution no. 9 above and all previous amendments made pursuant to the resolutions passed by the members of the Company at general meetings and in the form produced to the meeting (a copy of which has been tabled at the meeting and marked “A” for the purpose of identification) be and are hereby approved and adopted as the new amended and restated articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company with immediate effect.”

By Order of the Board
Silver Base Group Holdings Limited
Fok Pik Yi Carol
Company Secretary

Hong Kong, 10 July 2012

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

27th Floor
The Sun’s Group Centre
200 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting of the Company 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, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting of the Company to represent the member. 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. 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 certified copy of that power or authority, at the Company’s branch share registrar and transfer office 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 annual general meeting of the Company or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting of the Company or any adjournment thereof, should he so wish and in such event, the form of proxy shall be deemed to be revoked.

3. The board of Directors has recommended final dividends of HK\$59.5 million for the year ended 31 March 2012, representing HK\$0.05 per Share and, if such dividend is declared by the members passing resolution no. 2, it is expected to be paid on 31 August 2012 to those shareholders whose names appeared on the Company's register of members on 27 August 2012.
4. The register of members of the Company will be closed from Friday, 17 August 2012 to Monday, 20 August 2012, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company, all transfers of Shares accompanied by the relevant share certificates and transfer form must 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, 16 August 2012.
5. The register of members of the Company will be closed from Friday, 24 August 2012 to Monday, 27 August 2012, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend and the Bonus Issue, all transfers of Shares accompanied by the relevant share certificates and transfer form must 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, 23 August 2012.
6. In relation to proposed resolutions nos. 5 and 7 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.
7. 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 of the Company to make an informed decision to vote on the proposed resolutions as required by the Listing Rules is set out in Appendix I to the circular of the Company dated 10 July 2012.

As at the date of this notice, the Board comprises Mr. Liang Guoxing (Chairman), Mr. Guan Huanfei, Mr. Wang Jindong, Mr. Joseph Marian Laurence Ozorio and Ms. Cheung Mei Sze as executive Directors; Mr. Wu Jie Si and Mr. Chen Sing Hung Johnny as non-executive Directors; and Mr. Hung Sui Kwan, Mr. Ma Lishan and Mr. Zhang Min as independent non-executive Directors.