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

If you have sold or transferred all your shares in China Child Care Corporation Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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China Child Care Corporation Limited
中國兒童護理有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1259)

MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF 45% EQUITY INTEREST IN A SUBSIDIARY
AND
NOTICE OF EGM

A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the EGM of China Child Care Corporation Limited to be held at Room Golden Bay, 2/F, Golden Bay Resort, 168 South Huandeng Road (Huandeng Nan Lu), Dadeng Islands, Xiamen, Fujian Province, PRC, on Friday, 30 June 2017 at 10:00 a.m. is set out in this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you propose to attend the EGM, you are requested to read the notice of EGM and to complete the form of proxy enclosed in this circular in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar and transfer office, 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 later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM should you so wish.

15 June 2017

CONTENT

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Financial information of the Group	I-1
Appendix II – General information	II-1
Notice of EGM	EGM-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 5 May 2017 in respect of the Disposal
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks in Hong Kong and the PRC are open for business
“Capital Increase”	the capital contribution made by the Purchaser into Fujian Herun pursuant to the capital increase agreement dated 21 December 2016 entered into between (i) Frog Prince (China); (ii) Fujian Herun; and (iii) the Purchaser, resulting in the Purchaser being interested in 25% of the equity interest in Fujian Herun, details of which were disclosed in the announcement of the Company dated 21 December 2016
“Company”	China Child Care Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1259)
“Completion”	completion of the Share Transfer Agreement pursuant to the terms and conditions thereof
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares payable by the Purchaser to the Company pursuant to the Share Transfer Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the conditional disposal of the Sale Shares by the Group to the Purchaser pursuant to the Share Transfer Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, among other things, the Share Transfer Agreement and the transactions contemplated thereunder

DEFINITIONS

“Frog Prince (China)”	青蛙王子(中國)日化有限公司(Frog Prince (China) Daily Chemicals Co., Ltd.*), a wholly-foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Fujian Herun”	福建和潤供應鏈管理有限公司(Fujian Herun Supply Chain Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	12 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2017, or such other date as agreed by the parties to the Share Transfer Agreement in writing
“PRC”	the People’s Republic of China, which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	深圳前海沃升資產管理中心(有限合夥)(Shenzhen Qianhai Wosheng Asset Management Centre (Limited Partnership)*), a limited partnership formed in the PRC, being the Purchaser of 45% equity interest in Fujian Herun pursuant to the Share Transfer Agreement. As the Purchaser owns 25% of the equity interest in Fujian Herun. Accordingly, the Purchaser is a substantial shareholder of Fujian Herun and is therefore a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules.
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	45% of the equity interest in Fujian Herun, which is directly owned by Frog Prince (China) as at the date of the Share Transfer Agreement

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Transfer Agreement”	the Share Transfer Agreement dated 5 May 2017 entered into between (i) Frog Prince (China); and (ii) the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD

China Child Care Corporation Limited **中國兒童護理有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1259)

Executive Directors:

Mr. Tsai Wallen (*Chairman*)
Mr. Ge Xiaohua
Mr. Huang Xinwen
Mr. Li Zhouxin
Mr. Ma Chi Ming

Registered office:

Cricket Square
Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

Non-executive Director:

Mr. Ren Yunan

*Principle Place of Business
in Hong Kong:*

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Independent non-executive Directors:

Ms. Chan Sze Man
Mr. Tsao Benedict
Mr. Ma Kwun Yung Stephen

15 June 2017

To the Shareholders

Dear Sir/Madam,

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF 45% EQUITY INTEREST IN A SUBSIDIARY AND NOTICE OF EGM

INTRODUCTION

Reference is made to the Announcement. On 5 May 2017, Frog Prince (China) as vendor, and the Purchaser entered into the Share Transfer Agreement, pursuant to which Frog Prince (China) has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares (i.e. 45% equity interest in Fujian Herun) for the Consideration of RMB100.0 million.

The purpose of this circular is to provide you with, among other things, further information regarding to the Share Transfer Agreement and the Disposal, and the notice of EGM.

LETTER FROM THE BOARD

THE SHARE TRANSFER AGREEMENT

On 5 May 2017, Frog Prince (China) as vendor, and the Purchaser entered into the Share Transfer Agreement, pursuant to which Frog Prince (China) has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares for the Consideration of RMB100.0 million.

The principal terms of the Share Transfer Agreement are summarised as follows:

- Date:** 5 May 2017
- Parties:** (i) Frog Prince (China), an indirect wholly-owned subsidiary of the Company; and
- (ii) the Purchaser.

Frog Prince (China) is an indirect wholly-owned subsidiary of the Company, which principally engages in the design, manufacture and sales of children's personal care products in the PRC. Frog Prince (China) is the immediate holding company of 75% equity interest in Fujian Herun as at the Latest Practicable Date.

The Purchaser is a company established in the PRC with limited liability. As at the Latest Practicable Date, the Purchaser owns 25% of the equity interest in Fujian Herun. Accordingly, the Purchaser is a substantial shareholder of Fujian Herun and is therefore a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules.

Fujian Herun is an indirect non-wholly owned subsidiary of the Company as at the Latest Practicable Date, which is currently owned as to 75% by Frog Prince (China) and 25% by the Purchaser.

Subject matter

Pursuant to the Share Transfer Agreement, Frog Prince (China) has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing 45% of the equity interest in Fujian Herun.

Upon Completion, Fujian Herun will be held as to 30% and 70% by Frog Prince (China) and the Purchaser, respectively and Fujian Herun will cease to be a subsidiary of the Company.

Upon completion of reporting and filings with the relevant Administration of Industry and Commerce in respect of the Disposal, the profit or loss attributable to Fujian Herun shall be attributable to Frog Prince (China) and the Purchaser as to 30% and 70%, respectively, in accordance with the articles of association of Fujian Herun.

Further information on Fujian Herun is set out in the paragraph headed "Information on Fujian Herun" below in this section.

LETTER FROM THE BOARD

Consideration and settlement terms

Pursuant to the Share Transfer Agreement, the Consideration in aggregate amount of RMB100.0 million shall be satisfied in the following manner:

- (1) as to RMB30.0 million to be satisfied by the Purchaser by cash to the bank account designated by Frog Prince (China) within 15 days after the date of the Share Transfer Agreement;
- (2) as to RMB40.0 million to be satisfied by the Purchaser by cash to the bank account designated by Frog Prince (China) within 15 days after the satisfaction of all conditions precedent to Completion as set out in the Share Transfer Agreement; and
- (3) as to RMB30.0 million to be satisfied by the Purchaser by cash to the bank account designated by Frog Prince (China) within 15 days after the date of completion of reporting and filings with the relevant Administration of Industry and Commerce in respect of the Disposal.

The Consideration has been arrived at after arm's length negotiations between Frog Prince (China) and the Purchaser after taking into account, among other things, (i) the historical financial performance and conditions of Fujian Herun; (ii) the future prospects of Fujian Herun; and (iii) the net asset value of Fujian Herun.

As at the Latest Practicable Date, the first instalment of the Consideration has been satisfied by the Purchaser pursuant to the Share Transfer Agreement.

Conditions precedent

Completion shall be conditional upon fulfillment of the following conditions:

- (1) the Company having obtained the Shareholders' approval at the EGM in respect of the Share Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (2) all necessary approvals and consents from the relevant governmental and regulatory authorities required for the Disposal having been obtained in accordance with the applicable laws and regulations.

If any of the conditions above are not fulfilled on or before the Long Stop Date, the Share Transfer Agreement shall automatically terminate, provided however that the surviving provisions shall continue in force following the termination of the Share Transfer Agreement without any liability to any party. Frog Prince (China) shall return the monies already received to the Purchaser within 15 Business Days from the date of the termination of the Share Transfer Agreement.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

LETTER FROM THE BOARD

Completion

Within 30 days after the fulfillment of all the above conditions precedent, Frog Prince (China) shall procure Fujian Herun to register with the relevant Administration of Industry and Commerce for the corresponding changes of equity holders of Fujian Herun, and shall obtain the new business license issued by the Administration of Industry and Commerce.

Undertakings

Pursuant to the Share Transfer Agreement, the Purchaser undertakes that, upon Completion:

- (i) the children's personal care products (including but not limited to baby washes and shampoos and moisturiser) sold by Fujian Herun shall be procured exclusively from Frog Prince (China), i.e. Frog Prince (China) is the exclusive supplier of children's personal care products of Fujian Herun. Fujian Herun shall not procure children's personal care products from any third parties without the written consent of Frog Prince (China);
- (ii) Fujian Herun can procure children's personal care products from Frog Prince (China) by way of commissioned production as well as purchase order. The terms of such procurements should be based on the commissioned production agreement or purchase order to be entered into by both parties; and
- (iii) any intellectual properties in relation to the brand name "Frog Prince" owned by Fujian Herun and its subsidiary shall continue to be freely used by the Group at nil consideration and that Fujian Herun and its subsidiary shall not dispose of or transfer any of such intellectual properties to any third parties without the prior written consent of Frog Prince (China).

The above undertakings do not have a definite term of duration under the Share Transfer Agreement. The termination of the above undertakings is subject to the mutual agreement of the parties to the Share Transfer Agreement in writing. Save for that, the termination of the undertakings is not subject to other conditions.

Having considered that (i) the above undertakings are given by the Purchaser in favour of the Group; and (ii) the Group will be able to secure Fujian Herun as a sales channel for its products and continue to use the relevant intellectual properties pursuant to the undertakings, the Directors are of the view that the above undertakings without a definite term of duration are in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in the design and provision of a broad range of children's personal care products, including skin care products, body and hair care products and oral care products under our own brands in the PRC and operation of an online platform focusing on the children, babies and parents (the "CBP") markets, money lending business, trading of commodities and investment in securities.

LETTER FROM THE BOARD

Frog Prince (China) is an indirect wholly-owned subsidiary of the Company, which principally engages in the design, manufacture and sales of children's personal care products in the PRC. Frog Prince (China) is the immediate holding company of 75% equity interest in Fujian Herun as at the Latest Practicable Date.

INFORMATION ON THE PURCHASER

The Purchaser is a company established in the PRC with limited liability and holds 25% of the equity interest in Fujian Herun pursuant to the Capital Increase. The Purchaser is a PRC investment fund with a focus on the investment in supply chain management related businesses. The investment fund emphasises on creating investment returns through long-term strategic value-adding to its investment targets by utilising its industrial expertise and resources in the field of supply chain management. The investment fund is managed by Shanghai Wosheng Investment Management Co., Ltd. ("**Shanghai Wosheng**") which was a wealth management platform established in 2012 by the Rong and Cheng Families. The funds of the Rong and Cheng Families have been actively involved in the reform and development of the finance and investment sectors of the PRC over the past 30 years, and have accumulated rich successful experience in Asia's capital markets. Shanghai Wosheng is also a private equity manager registered with the Asset Management Association of China. The core members of the Purchaser's investment committee include senior management members of Jiangsu High Hope Venture Capital Co., Ltd ("**Jiangsu High Hope Venture Capital**"), a subsidiary of Jiangsu High Hope International Group Corporation which principally engages in commodities import and export business, which deals with the distribution of apparels, fabrics, household textile products, boxes and bags, electromechanical products, paper pulp, paper, timber, chemical products, non-ferrous metal, equipment sets and cotton; property business, which includes property distribution and leasing services; industrial production, including clothing processing, as well as financial investment and contract purchasing and marketing businesses. Jiangsu High Hope Venture Capital is a state-owned investment agency founded in 2004 and has been operating venture capital business in this industry since very early stage in Jiangsu Province, mainly focusing on health care, logistics & supply chain, internet and e-commerce and innovative modern service industry etc. It is committed to investing on the growth enterprises with core technology and market prospects.

INFORMATION ON FUJIAN HERUN

Fujian Herun is an indirect non-wholly owned subsidiary of the Company as at the Latest Practicable Date. Fujian Herun is currently owned as to 75% by Frog Prince (China) and 25% by the Purchaser. It was established in June 2016 for carrying out the Group's sales activities of children's personal care products through its distributorship network in the PRC (the "**Distributorship Sales Business**"), which were previously carried out by Frog Prince (China). Fujian Herun has a wholly-owned subsidiary, 福建省青蛙王子品牌管理有限公司(Fujian Frog Prince Brand Management Co., Ltd.*), which holds the Group's intellectual properties, including the trademark of "Frog Prince".

Financial information on Fujian Herun

As Fujian Herun was established in June 2016 for carrying out the Group's Distributorship Sales Business, which were previously carried out by Frog Prince (China), Fujian Herun had no financial track records before its establishment.

LETTER FROM THE BOARD

The following table sets out are the unaudited financial information attributable to the Distributorship Sales Business currently carried out by Fujian Herun for the two years ended 31 December 2016:

	For the year ended 31 December	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue	495,647	750,399
Loss before income tax	(75,589)	(73,991)
Loss for the year	(75,589)	(73,991)

The unaudited net asset value of Fujian Herun as at 31 December 2016 was approximately RMB73.8 million.

FINANCIAL EFFECTS OF THE DISPOSAL

Following the Completion, the Group's interest in Fujian Herun will be reduced from 75% to 30%, Fujian Herun will cease to be a subsidiary of the Company and its financial results and positions will be deconsolidated from the Company's consolidated financial statements. The Group will retain its remaining 30% equity interest in Fujian Herun upon Completion. Fujian Herun will become an associate of Frog Prince (China) and its financial results and positions attributable to the Group will be accounted for in the Company's consolidated financial statements using the equity method.

The Company expects that the Group will record an estimated gain of approximately RMB66.4 million on the Disposal taking into account the estimated net proceeds (after deduction of professional fees and other relevant expenses) of the Disposal of approximately RMB99.6 million and 45% of the net asset value of Fujian Herun as at 31 December 2016 of approximately RMB33.2 million. The actual amount of the gain or loss on the Disposal to be recognised in the consolidated financial statements of the Company will be based on the net asset value of Fujian Herun as at the date of completion of the Disposal and therefore may vary from the amount mentioned above.

Taking in consideration the deconsolidation of Fujian Herun from the Company's consolidated financial statements and the equity method of accounting for the Group's remaining 30% equity interest in Fujian Herun following the Completion, it is expected that the Disposal will result in (i) a slight increase in the Group's total assets; (ii) a decrease in the Group's total liabilities; (iii) a decrease in the Group's revenue; (iv) a decrease in the Group's operating loss; and (v) recognition of aforementioned gain on the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

With the gradual slowdown in the PRC's economic growth, the change of consumption patterns of the PRC consumers has subdued market sentiment and brought new challenges to the Group's children's personal care products business. Hence, the Group's Distributorship Sales Business encountered the

LETTER FROM THE BOARD

following difficulties: (i) the gradual decline in the revenue of the Group's Distributorship Sales Business; (ii) rebate policy and high marketing cost; and (iii) the decline in consumer brand loyalty, etc., which continued after the Capital Increase.

The Group has seen the combined loss making results in the recent financial years/periods partly due to the deteriorating operating result of the Group's Distributorship Sales Business. The Directors expect that the Disposal could materially reduce losses of the Group and optimise the Group's asset allocation in order to cope with the aforementioned unfavourable operating environment. The Directors believe that the Disposal would offload the loss-making Distributorship Sales Business and allow the Group to focus on the research and development (“**R&D**”) in and manufacturing of children's personal care products with an aim to develop more high quality and new products to raise the competitiveness in the market. The net proceeds to be received by Frog Prince (China) from the Disposal will strengthen the overall cash position of the Group for general working capital as well as for future business development opportunities that may arise.

The Group will attach greater importance to enhance the capability of R&D and manufacturing in the future and continue to develop with the goal of becoming a professional and normative cosmetics manufacturer in the PRC, with strong R&D and manufacturing capabilities, by implementing the following strategies:

- (i) R&D team (proposed budget for the next three years: approximately RMB10.0 million): The Group currently has more than 100 R&D personnel and a R&D centre of 1,200 square metres. In addition to the existing technicians, the Group will establish a domestic original equipment manufacturing (“**OEM**”) team, consisting of around 10 staff, with a rapid response mechanism. The OEM team is specifically responsible for the development of domestic new products and e-commerce products etc., so as to quickly respond to the market's demand for customisation in particular the standalone products which change rapidly in the e-commerce market, and to independently undertake the R&D of the products which require advanced technology and have more market potential;
- (ii) Quality control (proposed budget for the next three years: approximately RMB10.0 million): In February 2017, the Laboratory Accreditation Certificate* (實驗室認可證書) were awarded to 11 inspection items of the Group's laboratory by the China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會). The Group will continue to upgrade its laboratory, enhance the capabilities of detection and quality management in order to obtain more item recognition. The Group will also informationise and systematise the quality inspection modules to enable online recording of the detailed physical and chemical indicators of the inspection items so as to implement a precise management of quality inspection; and
- (iii) Manufacturing automation (proposed budget for the next three years: approximately RMB30.0 million): The Group will enhance the production efficiency and economic benefits via transformation of automation and optimisation of production processes including (a) investment in the construction and improvement of the manufacturing execution system, which is designed to collect production data during the manufacturing process and rapidly transmit the on-site information for analysis; (b) establishment of the anti-error system, which is a real-time production control system to ensure the consistency and traceability of the product quality; and (c) optimisation of the logistics for end products and purchase of stacking

LETTER FROM THE BOARD

machines and other equipment. By the foregoing, it may, on one hand, help the Group to tackle with the social trend of labour shortage and increasing labour cost, and alleviate the adverse impact of the labour shortage phenomenon; on the other hand, it may reduce the abnormal wear and tear during the manufacturing process, and facilitate cost control and lower the manufacturing cost by improving the production efficiency and quality.

At present, the Group has obtained 6 invention patents, 16 utility model patents, 30 appearance design patents in the R&D and manufacturing sector, all of which are owned by Frog Prince (China). The Group is also applying for more than 10 patents and the Group will continue to enhance the development of and protection for its patented technology, manufacture technology and product formula.

In the next three years, the Group will gradually implement its technological innovation plan to enhance its competitiveness by leveraging on the quality of the products through upgrading the technological facilities. The Board believes that the Group's product innovation and the market trends will be closely integrated. It is expected that innovative design will be applied to packaging and appearance of the Group's products and the appearance design patents will be obtained. The Group will develop the products based on certain criteria such as consumers' preferences, safety, environmental friendly and natural to allow for greater degree of customisation in order to cater for a wide spectrum of demand, and will cooperate with professional organisations such as research institutions, universities and hospitals to enhance the R&D standard and the efficiency of launching the end products derived from the R&D outcome. Hence, high level of R&D empowers the Group to possess stronger capability to customise products, which may satisfy the volatile demand for personal care products for pregnant women, babies, children and adults. It will then increase the income and improve the profitability. The Group will continue to strengthen the cooperation with universities and research institutions to research on advanced technology, enhance the Group's capability of detecting microbiological, sensitisation and toxicity, and optimise product formula. The Group will also establish an evaluation mechanism regarding the effectiveness of its products.

Save for the intention to enhance the Group's R&D and manufacturing capabilities through the aforesaid integration of resources including production technology, R&D and patents, the Disposal will enable the Group to allocate resources to strengthen, develop and diversify its business portfolio.

After the Disposal, the sales to Fujian Herun as a percentage in the total sales of Frog Prince (China) after the Disposal is expected to be approximately 23%. By offloading the loss-making Distributorship Sales Business through the Disposal, Fujian Herun will become a distributor of Frog Prince (China) in respect of the Distributorship Sales Business in the PRC. Meanwhile, Frog Prince (China) will continue to sell its products to other customers including export to overseas markets such as the United States etc. Hence, it is expected that the total number of customers of Frog Prince (China) will be around 30 immediately after the Disposal. Notwithstanding the foregoing, the Directors believe that the enhanced R&D and manufacturing capabilities as aforementioned will empower Frog Prince (China) to possess stronger capability to manufacture OEM products, and expect to acquire more new customers for in the future.

Having considered that (i) the Group's Distributorship Sales Business was already carried out by Fujian Herun prior to the Disposal; (ii) Frog Prince (China) will focus on its OEM manufacturing operations and existing sales channels after the Disposal which are independent of Fujian Herun; (iii) Frog Prince (China) can sell its OEM products to any customers solicited by it in any markets without the consent from Fujian Herun; and (iv) the sales to Fujian Herun as a percentage in the total sales of Frog Prince (China)

LETTER FROM THE BOARD

after the Disposal is expected to be approximately 23%, the Directors are of the view that the general operations of Frog Prince (China) will not heavily rely on Fujian Herun after the Disposal and there will not be any material change in the business operations of Frog Prince (China). In respect of distribution channel and customers, the Directors consider that the degree of reliance on Fujian Herun is acceptable given that (i) the enhanced R&D and manufacturing capabilities are expected to enable Frog Prince (China) to manufacture various OEM products and expand its customer base in the future; and (ii) despite the Distributorship Sales Business will be offloaded through the Disposal, Frog Prince (China) still has other existing distribution channels, for instance, its OEM products are exported to the overseas customers on its own or through export agents.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Agreement are on normal commercial terms and are fair and reasonable, and that the entering into of the Share Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal, on a standalone basis or when aggregated with the Capital Increase pursuant to Rule 14.22 of the Listing Rules, constitutes a major transaction of the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but is below 75%. Accordingly, the Disposal is subject to the reporting and announcement requirements and the Shareholders' approval, by way of poll, at the EGM under the Listing Rules.

As at the Latest Practicable Date, the Purchaser owns 25% of the equity interest in Fujian Herun. Accordingly, the Purchaser is a substantial shareholder of Fujian Herun and is therefore a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. As such, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. None of the Directors has a material interest in the Share Transfer Agreement and was required to abstain from voting at the meeting of the Board approving the Share Transfer Agreement and the transactions contemplated thereunder. Given that (i) the Board has approved the Share Transfer Agreement and the transactions contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the Share Transfer Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Share Transfer Agreement are exempted from the independent financial advice requirement under Rule 14A.101 of the Listing Rules.

The Purchaser and its associates, who have material interest in the Share Transfer Agreement and the transactions contemplated thereunder, are required to abstain from voting at the EGM on the resolution(s) to approve the above matters. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shares are held by the Purchaser and its associates. As such, no Shareholders are required to abstain from voting on the resolution approving the Share Transfer Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

EGM

A notice of convening the EGM to be held at Room Golden Bay, 2/F, Golden Bay Resort, 168 South Huandeng Road (Huandeng Nan Lu), Dadeng Islands, Xiamen, Fujian Province, PRC, on Friday, 30 June 2017 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 in this circular. Ordinary resolution(s) will be proposed at the EGM for the purpose of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder. The voting on ordinary resolution(s) to be proposed at the EGM will be taken by way of poll and an announcement will be made by the Company after the EGM on the result of the EGM with respect to whether or not the proposed ordinary resolution(s) have been passed by the Shareholders.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same to the share registrar of the Company, 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 holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Hence, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution to approve the Share Transfer Agreement and the Disposal at the EGM.

Yours faithfully,
By Order of the Board of
China Child Care Corporation Limited
Tsai Wallen
Chairman of the Board

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2016 have been published in the annual reports of the Company per below:

- (i) the financial information of the Group for the year ended 31 December 2016 is disclosed in the annual report of the Company for the year ended 31 December 2016 published on 26 April 2017, from pages 83 to 172;
- (ii) the financial information of the Group for the year ended 31 December 2015 is disclosed in the annual report of the Company for the year ended 31 December 2015 published on 27 April 2016, from pages 56 to 132; and
- (iii) the financial information of the Group for the year ended 31 December 2014 is disclosed in the annual report of the Company for the year ended 31 December 2014 published on 29 April 2015, from pages 57 to 124.

All of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.princefrog.com.cn).

Please also see below the hyperlinks to the aforesaid annual reports of the Company:

Annual report of the Company for the year ended 31 December 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0426/LTN20170426637.pdf>

Annual report of the Company for the year ended 31 December 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0427/LTN201604271225.pdf>

Annual report of the Company for the year ended 31 December 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN201504291491.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 April 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding bank loans amounted to approximately RMB110.9 million which were secured by the Group's pledged bank deposits.

Save as aforesaid and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as at the close of business on 30 April 2017, the Group did not have any loan capital in issue and outstanding or agreed to be issued, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, guarantees, or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the annual report of the Company for the year ended 31 December 2016, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Group were made up.

4. WORKING CAPITAL

After taking into account the financial resources and banking facilities available to the Group and its internally generated funds, the Directors are of the opinion that the Group has sufficient working capital for its present requirement for at least the next twelve months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in the design and provision of a broad range of children's personal care products, including skin care products, body and hair care products and oral care products under our own brands in the PRC and operation of an online platform focusing on the CBP markets, money lending business, trading of commodities and investment in securities.

Upon Completion, the Group intends to retain the proceeds for future business development opportunities and for general working capital purposes. The Board expects the Group's financial position to remain solid for at least twelve months from the date of publication of this circular in the absence of unforeseeable circumstances.

The Directors are of the view that the Disposal represents an opportunity for the Group to streamline its business mix, by disposing of the Distributorship Sales Business which has not been and is not expected in the foreseeable future to become profit-contributing to the Group. By leveraging on the existing businesses, the Group will formulate business strategies according to the market trends, in an effort to enhance the Group's long term profitability.

Children's personal care products business

The Group has been continuing to enhance popularity and reputation of the brand to improve the revenue of the children's personal care products business. By offloading the loss-making Distributorship Sales Business through the Disposal, the Group will focus on the research and development in and manufacturing of children's personal care products with an aim to develop more high quality and new products to raise the competitiveness in the market. Since July 2016, the Group has set up kindergarten care stations, in the name of "Prince Frog", in 200 kindergartens in four cities in the PRC, namely Nanjing, Wuhan, Zhengzhou and Chengdu, by providing the Group's products to children for trial use in order to make the image of Prince Frog to be deeply rooted in the children and their parents. The Group has developed "Prince Frog Childcare Centres", which are establishment of exclusive shelf areas for displaying a full range of Prince Frog products and children's play areas including entertainment facilities, in key stores and supermarkets in a total of 9 cities across the PRC throughout 2016, and the Group will continue to promote to other cities in 2017.

Operation of online CBP platform

To cater for the shift of spending habit of the consumers to e-commerce, the Group has launched marketing campaigns which covered both the off-line and on-line promotions through various platforms including new media and social network platform to increase brand visibility. In the fourth quarter of 2016, the Group commenced the operation of an online platform focusing on the CBP markets, including the provision of marketing, marketing consulting and promotional service, e-commerce business and retail of CBP's products. The Board believes that this business can create synergy to existing businesses of the Group, including the promotion of "Frog Prince" and other PRC CBP brands in Hong Kong market through an online CBP information platform at MyBB.com.hk ("MYBB"), the promotion of MYBB CBP information platform in PRC market through "Frog Prince", and the integration of online to offline operation thus broaden the Group's revenue streams.

Money lending business

The Group's money lending business targets customers who seek for loans of significant amount and are able to provide guarantees for relevant loans. The business segment recorded a positive profit of approximately RMB2.2 million for the year ended 31 December 2016. Looking ahead, the Group expects that the money lending business will record a high growth, and hence will invest more financial resources to expand this business, including possible promotion and marketing through media platform. The Group may consider putting certain marketing efforts to promote the brand through various public media. In the coming year, the Group will expand the business into the personal loan market. The Group will also expand the mortgage business to corporate clients.

Trading of commodities business

The Group's business segment of trading of commodities contributed a total revenue of approximately RMB275.6 million to the Group and recorded a positive profit of approximately RMB8.8 million for the year ended 31 December 2016. The Board believes that the operation of trading of commodities is able to expand the business network of the Group in the field of commodities trading, and therefore is of great importance. The Group will negotiate with suppliers and customers in order to achieve more favourable trading terms in future trades.

Investment in securities business

The Group's business segment of investment in securities, which may include long-term and short-term investments in listed securities in Hong Kong and other recognised securities markets in overseas as well as other related investment products offered by banks and other financial institutions, was put into operation in March 2017. The Board expects that the investment in securities business can diversify the income streams of the Group and it may generate additional investment returns on the available funds of the Group from time to time.

The Board will continue to proactively explore opportunities for new business and performance growth in order to further strengthen its business portfolio and enhance the long-term growth potential of the Company and Shareholders' value. The Group remains cautiously optimistic towards future business and will carefully review the development in all business segments, and will allocate more resources to the business with sustainable growth potential.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules were as follows:

(i) Long positions in the Shares

Name of Director	Capacity in which interests are held	Number of Shares held	Approximate percentage of the Company's share capital
Mr. Ge Xiaohua	Beneficial owner	400,000	0.03%
Mr. Huang Xinwen	Beneficial owner	400,000	0.03%
Mr. Ren Yunan	Beneficial owner	100,000	0.01%

(ii) *Long positions in the underlying shares of the Company (physically settled unlisted equity derivatives) – share options*

Name of Director	Capacity in which interests are held	Number of underlying shares interested	Approximate percentage of underlying shares over the Company's issued share capital
Mr. Ge Xiaohua	Beneficial owner	3,400,000	0.34%
Mr. Huang Xinwen	Beneficial owner	3,400,000	0.34%
Mr. Li Zhouxin	Beneficial owner	1,480,000	0.15%
Mr. Ren Yunan	Beneficial owner	3,900,000	0.39%

As at the Latest Practicable Date, save as disclosed above, none of the Directors and the chief executive of the Company had registered an interest or a short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) **Substantial Shareholders' Interest**

As at the Latest Practicable Date, so far as is known to any Directors or the chief executive of the Company, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(i) Long positions in the Shares

Name	Capacity in which interests are held	Number of Shares held	Approximate percentage of the Company's share capital
Golden Sparkle Limited (Note 1)	Beneficial owner	263,308,500	22.73%
Jinlin Investment Company Limited (Note 2)	Beneficial owner	140,383,500	12.12%
Elite Beauty International Trading (Hong Kong) Co., Limited (Note 3)	Beneficial owner	80,000,000	6.91%
Mr. Lam Chi Man	Beneficial owner	147,945,000	12.77%

Notes:

1. These shares were held by Golden Sparkle Limited, a controlled corporation of Mr. Lai Wai Lam Ricky. Accordingly, Mr. Lai Wai Lam Ricky was deemed to be interested in these shares pursuant to Part XV of the SFO.
2. These shares were held by Jinlin Investment Company Limited, a controlled corporation of Mr. Xie Jinling. Accordingly, Mr. Xie Jinling was deemed to be interested in these shares pursuant to Part XV of the SFO.
3. These shares were held by Elite Beauty International Trading (Hong Kong) Co., Limited, a controlled corporation of Mr. Li Liang. Accordingly, Mr. Li Liang was deemed to be interested in these shares pursuant to Part XV of the SFO.

(ii) Long positions in the underlying shares of the Company (physically settled unlisted equity derivatives) – share options

Name	Capacity in which interests are held	Number of underlying shares interested	Approximate percentage of underlying shares over the Company's issued share capital
Mr. Xie Jinling	Beneficial owner	3,800,000	0.376%
Mr. Li Liang	Beneficial owner	30,000	0.003%

Save as disclosed above, as at the Latest Practicable Date, so far as known to any Director or the chief executive of the Company, no other person (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which were recorded in the register kept by the Company pursuant to section 336 of the SFO which

would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at the Latest Practicable Date.

3. DIRECTORS' COMPETING INTEREST

As at the Latest Practicable Date, as far as the Directors are aware, none of the Directors nor their respective close associates is and was interested in any business which competes or may compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors had any interest, either directly or indirectly, in any asset which has since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the latest Practicable Date, no Director had a material interest, either directly or indirectly, in any subsisting contract or arrangement of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the loan agreements dated 1 November 2016 entered into between Axis Consulting Services Company Limited, a wholly-owned subsidiary of the Company, as lender and three borrowers, pursuant to which, the Company agreed to grant the loans in the amount of approximately HK\$12.4 million and approximately HK\$8.6 million, respectively, for a term of 12 months from the drawdown date of the loans as disclosed in the Company's announcement dated 1 November 2016;
- (ii) the sale and purchase agreement dated 8 December 2016 entered into among the Company, Taupe Overseas Limited and Mr. Shen Zongping, pursuant to which, the Company agreed to purchase and Taupe Overseas Limited agreed to sell 51% of the issued share capital of Marvel Paramount Holdings Limited, for a total consideration of approximately HK\$117.3 million as disclosed in the Company's announcement dated 8 December 2016;
- (iii) the capital increase agreement dated 21 December 2016 entered into between Frog Prince (China), Fujian Herun and the Purchaser in relation to Capital Increase;
- (iv) the sale and purchase agreement dated 6 February 2017 entered into between Ever Smart Capital Limited ("**Ever Smart**") and the Company, pursuant to which, Ever Smart agreed to sell and the Company agreed to acquire the convertible notes issued by Wanjia Group Holdings Limited ("**Wanjia**") at a consideration equivalent to the principal amount of approximately HK\$58.5 million as disclosed in the Company's announcement dated 6 February 2017;
- (v) the subscription agreement dated 20 March 2017 entered into between the Company and Head and Shoulders Global Investment Fund SPC ("**Fund**"), pursuant to which the Company agreed to subscribe for an aggregate amount of approximately HK\$110.0 million of the non-voting participating share(s) of US\$0.01 par value each in the capital of the Fund redeemable either at the option of the holder thereof or by the Fund as disclosed in the Company's announcement dated 20 March 2017;
- (vi) the subscription agreement dated 30 March 2017 entered into between the Company and Greater China Professional Services Limited ("**Greater China**"), pursuant to which the Company subscribed for the promissory note in the principal amount of approximately HK\$67.35 million issued by Greater China for a term of two years as disclosed in the Company's announcement dated 30 March 2017;

- (vii) the sale and purchase agreement dated 27 April 2017 entered into between the Company and Mr. Lam Chi Man (“**Mr. Lam**”), pursuant to which, Mr. Lam agreed to sell and the Company agreed to purchase the entire issued share capital of Apex Magic International Limited for the consideration of approximately HK\$79.0 million as disclosed in the Company’s announcement dated 27 April 2017;
- (viii) the Share Transfer Agreement as disclosed in the Company’s announcement dated 5 May 2017; and
- (ix) the deed of amendment dated 1 June 2017 entered into between the Company and Wanjia, pursuant to which, the Company and Wanjia agreed to extend the maturity date of the convertible notes from 1 June 2017 to 30 November 2017 as disclosed in the Company’s announcement dated 1 June 2017.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. So Yee Kwan, who is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (c) The share registrar of the Company is Computershare Hong Kong Investor Services Limited.
- (d) The English text of this circular shall prevail over its respective Chinese text for the purpose of interpretation.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company’s principal place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (c) the annual reports of the Company for each of the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016; and
- (d) this circular.

NOTICE OF EGM

China Child Care Corporation Limited 中國兒童護理有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1259)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Child Care Corporation Limited (the “**Company**”) will be held at Room Golden Bay, 2/F, Golden Bay Resort, 168 South Huandeng Road (Huandeng Nan Lu), Dadeng Islands, Xiamen, Fujian Province, The People’s Republic of China on Friday, 30 June 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution(s) as ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the share transfer agreement dated 5th May, 2017 (the “**Share Transfer Agreement**”) entered into between 青蛙王子(中國)日化有限公司 (Frog Prince (China) Daily Chemicals Co., Ltd.*), a wholly-foreign-owned enterprise established in the People’s Republic of China (the “**PRC**”) with limited liability and an indirect wholly-owned subsidiary of the Company (the “**Vendor**”), as the vendor, 深圳前海沃升資產管理中心(有限合伙)(Shenzhen Qianhai Wosheng Asset Management Centre (Limited Partnership)*), a limited partnership formed in the PRC as the purchaser relating to the sale and purchase of 45% equity interests in 福建和潤供應鏈管理有限公司 (Fujian Herun Supply Chain Management Co., Ltd.*) (the “**Target Company**”). A copy of the Share Transfer Agreement marked “A” has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised to do all such acts and things as he in his sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Share Transfer Agreement and the transactions contemplated thereunder and, where required, any amendment of the terms of the Share Transfer Agreement as required by, or for the purposes of obtaining the approval of, relevant authorities or to comply with all applicable laws, rules and regulations.”

By order of the Board
China Child Care Corporation Limited
Tsai Wallen
Chairman of the Board

15 June 2017

NOTICE OF EGM

Notes:

- a. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. 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.
- b. In the case of joint holders of a share of the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the share of the Company.
- c. A form of proxy for use at the EGM is enclosed. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Hong Kong branch registrar (i.e. Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 10:00 a.m. on Wednesday, 28 June 2017) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
- d. To ascertain shareholders' eligibility to attend and vote at the EGM, the Register of Members of the Company will be closed from Tuesday, 27 June 2017 to Friday, 30 June 2017 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged 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, for registration no later than 4:30 p.m. on Monday, 26 June 2017.
- e. Any vote of members (attending in person or by proxy) at the EGM shall be taken by poll.

As at the date of this notice, the Board comprises (i) five executive Directors, namely Mr. Tsai Wallen, Mr. Ge Xiaohua, Mr. Huang Xinwen, Mr. Li Zhouxin and Mr. Ma Chi Ming; (ii) one non-executive Director, namely Mr. Ren Yunan; and (iii) three independent non-executive Directors, namely Ms. Chan Sze Man, Mr. Tsao Benedict and Mr. Ma Kwun Yung Stephen.

* *For identification purposes only*