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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 in Sinoref Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Capitalised terms used in this circular shall have the same meanings as defined in the section headed "Definitions" in this circular.

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

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**SINOREF**

**SINOREF HOLDINGS LIMITED**

**華耐控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1020)**

- (1) GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES**
- (2) REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF  
OPTIONS UNDER THE SHARE OPTION SCHEME**
- (3) RE-ELECTION OF DIRECTORS**
- (4) NOTICE OF ANNUAL GENERAL MEETING**
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Notice of the annual general meeting of Sinoref Holdings Limited to be held at The Focal Point, Level 10, World-wide House, 19 Des Voeux Road Central, Hong Kong on 12 June 2012 at 2:30 p.m. is set out on pages 16 to 21 of this circular. If you are unable to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person if you so wish.

14 May 2012

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## DEFINITIONS

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

“AGM Notice”	the notice for convening the Annual General Meeting set out on pages 16 to 21 of this circular
“Annual General Meeting”	the annual general meeting of the Company convened to be held on Tuesday, 12 June 2012 at The Focal Point, Level 10, World-wide House, 19 Des Voeux Road Central, Hong Kong at 2:30 p.m.
“Articles”	the articles of association of the Company as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Sinoref Holdings Limited (華耐控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing Scheme Limit”	the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme, being 10% of the issued share capital of the Company as at 7 July 2010, being the date of dealings in the Shares first commenced on the Stock Exchange
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares of up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	9 May 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participants”	any employees or proposed employees (whether full time or part time) of the Company or Directors, any of its subsidiaries or any Invested Entity; any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity; any supplier of goods or services to any member of the Group or any Invested Entity; any customer of any member of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group
“PRC”	the People’s Republic of China, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

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## DEFINITIONS

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“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, of 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 7 June 2010
“Share(s)”	ordinary share(s) of \$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong
“\$” and “cents”	Hong Kong dollars and cents, respectively
“%”	per cent.

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LETTER FROM THE BOARD

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**SINOREF**

**SINOREF HOLDINGS LIMITED**

**華耐控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1020)**

*Executive Directors:*

Mr. Xu Yejun  
Dr. Zhang Lanyin  
Mr. Gu Aoxing

*Independent non-executive Directors:*

Mr. Yao Enshu  
Mr. Yang Fuqiang  
Mr. Tsui Siu Hang, Steve

*Non-executive Director:*

Mr. Gao Zhilong

*Registered office:*

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

*Principal Place of Business  
in Hong Kong:*

Suite 2007  
Tower 1, Lippo Centre  
89 Queensway  
Hong Kong

14 May 2012

*To the Shareholders*

Dear Sir/Madam

**(1) GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES**  
**(2) REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF  
OPTIONS UNDER THE SHARE OPTION SCHEME**  
**(3) RE-ELECTION OF DIRECTORS**

**1. INTRODUCTION**

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include: (a) ordinary resolutions relating to the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (b) an ordinary resolution relating to the proposed refreshment of the Existing Scheme Limit; and (c) ordinary resolutions relating to the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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Pursuant to the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is also prepared for such purpose.

### **2. ISSUE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue or otherwise deal with new Shares of up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,200,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 240,000,000 Shares, representing 20% of the Shares in issue as at the Latest Practicable Date.

### **3. REPURCHASE MANDATE AND EXTENSION MANDATE**

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange or on any other stock exchange on which the Shares may be listed, shares of up to a maximum of 10% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the nominal value of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

Each of the Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; and (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to provide Shareholders with all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 4. SHARE OPTION SCHEME – REFRESHMENT OF EXISTING SCHEME LIMIT

Pursuant to the written resolution of all the then shareholders of the Company passed on 7 June 2010, the Share Option Scheme was adopted. The purpose of the Share Option Scheme to enable the Group to grant share options to the Participants as incentives or rewards for their contribution to the Group.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

Pursuant to the Existing Scheme Limit, the Directors may grant options not exceeding 120,000,000 Shares, representing 10% of the issued share capital of the Company as at 7 July 2010, being the date of dealings in the Shares first commenced on the Stock Exchange. As at the Latest Practicable Date, options carrying the rights to subscribe for 120,000,000 Shares (representing 100% of the Existing Scheme Limit) have been granted to the Participants and none of such options have been exercised, and none of such options have lapsed. As at the Latest Practicable Date, there were 120,000,000 outstanding options, representing 10% of the issued share capital of the Company. Accordingly, the Directors cannot grant further options under the Existing Scheme Limit.

The Directors consider that the Company should refresh the Existing Scheme Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Existing Scheme Limit is approved at the Annual General Meeting, based on the 1,200,000,000 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Company will be allowed under the “refreshed limit” to grant options carrying the rights to subscribe for up to a total of 120,000,000 Shares, representing 10% of the issued share capital of the Company as at the Annual General Meeting.



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## LETTER FROM THE BOARD

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Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. The following table shows the details of the share options granted/exercised/lapsed/outstanding under the Share Option Scheme up to the Latest Practicable Date:

<b>Class of participants</b>	<b>Number of options granted</b>	<b>Number of options exercised</b>	<b>Number of options lapsed</b>	<b>Number of outstanding options</b>
Directors	21,000,000	0	0	21,000,000
Other employees	<u>99,000,000</u>	<u>0</u>	<u>0</u>	<u>99,000,000</u>
Total	<u>120,000,000</u>	<u>0</u>	<u>0</u>	<u>120,000,000</u>

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12 months period up to and including the respective dates of grant as set out in Rule 17.03(4) of the Listing Rules.

If the refreshment of the Existing Scheme Limit is approved at the Annual General Meeting, the existing outstanding options of the Company and the options to be granted under the “refreshed limit” will not exceed 30% of the issued share capital of the Company. The Directors consider that the refreshment of the Existing Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Share Option Scheme. The refreshment of the Existing Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting to approve the said refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General Meeting.

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 5. RE-ELECTION OF DIRECTORS

In accordance with Article 105(A) of the Articles, Mr. Gu Aoxing, Mr. Gao Zhilong and Mr. Yang Fuqiang will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Particulars of each of Mr. Gu Aoxing, Mr. Gao Zhilong and Mr. Yang Fuqiang are set out in Appendix II to this circular.

### 6. DECLARATION OF FINAL DIVIDEND

On 28 March 2012, the Company made an announcement in relation to its audited consolidated financial results for the year ended 31 December 2011 whereby the Board has recommended a final dividend of HK1 cent per Share for the year ended 31 December 2012. Subject to the passing of this resolution at the Annual General Meeting, such final dividend will be paid on or about 5 July 2012.

For determining the entitlement to the proposed final dividend for the year ended 31 December 2011, the register of members of the Company will be closed from 19 June 2012 to 20 June 2012 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the proposed final dividend for the year ended 31 December 2011, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 18 June 2012.

### 7. ACTIONS TO BE TAKEN

Set out on pages 16 to 21 of this circular is the AGM Notice. At the Annual General Meeting, resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate;
- (b) the refreshment of the Existing Scheme Limit; and
- (c) the re-election of Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

You will find enclosed with this circular a form of proxy for use at the Annual General Meeting. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time for 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.

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## LETTER FROM THE BOARD

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### 8. CLOSURE OF THE REGISTER OF MEMBERS

For determining the qualification for attending the annual general meeting of the Company to be held on 12 June 2012, the register of members of the Company will be closed from 8 June 2012 to 12 June 2012 (both dates inclusive), during which period no transfer of shares will be effected. In order to be qualify for attending the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7 June 2012.

### 9. RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the refreshment of Existing Scheme Limit and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2011, being the date of its latest audited consolidated accounts. 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.

Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolutions approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the refreshment of Existing Scheme Limit and the re-election of Directors at the Annual General Meeting.

### 10. ADDITIONAL INFORMATION

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

Yours faithfully  
For and on behalf of the Board  
**Sinoref Holdings Limited**  
**Xu Yejun**  
*Chairman*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information as to the proposed Repurchase Mandate.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at Latest Practicable Date, there were a total of 1,200,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 120,000,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

## **4. FUNDING OF REPURCHASES**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par

value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2011, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
May	1.640	1.420
June	1.550	1.230
July	1.430	0.960
August	1.130	0.620
September	0.790	0.380
October	0.800	0.400
November	0.750	0.520
December	0.620	0.510
<b>2012</b>		
January	0.620	0.510
February	0.770	0.560
March	0.810	0.520
April	0.560	0.470
May ( <i>Note</i> )	0.495	0.460

*Note:* Up to the Latest Practicable Date

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of 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 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. Xu Yejun, the chairman and of the Company and an executive Director, held 360,000,000 Shares, representing 30% of the existing issued Shares. By virtue of the SFO, Ms. Gu Shuping, the spouse of Mr. Xu Yejun, is deemed to be interested in the Shares in which Mr. Xu Yejun is interested for the purpose of Division 2 and 3 of Part XV of the SFO.

On the basis that there were 1,200,000,000 Shares in issue as at the Latest Practicable Date and assuming that there will be no issue or repurchase of Shares prior to the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage shareholding in the Company of Mr. Xu Yejun and Ms. Gu Shuping would increase to approximately 33.33% of the existing issued Shares.

On the basis of the current shareholding of Mr. Xu Yejun and Ms. Gu Shuping, an exercise of the Repurchase Mandate in full will result in Mr. Xu Yejun and Ms. Gu Shuping becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in Mr. Xu Yejun and Ms. Gu Shuping becoming obliged to make such a mandatory offer or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## **8. GENERAL**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchase of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, applicable laws of the Cayman Islands and the regulations set out in the memorandum of association of the Company and the Articles.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

*The particulars of the Directors eligible for re-election at the Annual General Meeting are set out below:*

## **EXECUTIVE DIRECTOR**

### **Mr. Gu Aoxing (“Mr. Gu”)**

Mr. Gu Aoxing, aged 60, was appointed as an executive Director on 7 June 2010. Mr. Gu is responsible for the corporate and financial matters of our Group.

Mr. Gu completed a professional technical training in relation to Rural Finance organised by 宜興市科學技術委員會 (Yixing Technology Committee\*) and 宜興市財政局 (Yixing Finance Bureau) in 1989. In 2000, Mr. Gu passed the examination on 會計電算化初級知識培訓 (Basic Knowledge on Computerised Accounting\*) organised by 宜興市財政局 (Yixing Finance Bureau\*). In 2001, Mr. Gu was qualified as an accountant by 無錫市人事局 (Wuxi Municipal Personnel Bureau\*).

Prior to joining the Group in 2007, Mr. Gu had held financial managerial positions in various companies, including acting as the Assistant Finance Manager at 宜興新威集團 (Yixing Xinwei Group\*) from 1991 to 1999 and the Finance Manager at 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.\*) from 2000 to 2007. Mr. Gu was also an executive director of China Rare Earth Holdings Limited (Stock Code: 769), a company listed on the Main Board of the Stock Exchange, from 25 August 1999 to 19 May 2000.

Mr. Gu has entered into a service contract with the Company for an initial term of three years from 7 June 2010 and expiring on 6 June 2013. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months’ written notice of non-renewal before the expiry of the then existing term. Under the service contract, Mr. Gu is currently entitled to an annual basic salary of RMB200,000, (subject to an annual increment after 31 December 2010 at the discretion of the Directors of not more than 10% of the annual salary immediately prior to such increase). In addition, Mr. Gu is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all executive Directors for any financial year of the Company may not exceed 10% of the audited combined or consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. Such director’s fee was mutually agreed upon between the Board and Mr. Gu with reference to the prevailing market conditions and was determined by the Board based on his anticipated effort and expertise to be exercised on the Company’s affairs.

As at the Latest Practicable Date, Mr. Gu was personally interested in 45,000,000 Shares pursuant to Part XV of the SFO, representing approximately 3.75% of the entire issued share capital of the Company as at the Latest Practicable Date. Mr. Gu is the brother of the father-in-law of Mr. Xu Yejun, the chairman, chief executive office and an executive Director of the Company. Save as disclosed above, Mr. Gu was not related to any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.



**NON-EXECUTIVE DIRECTOR****Mr. Gao Zhilong (“Mr. Gao”)**

Mr. Gao Zhilong, aged 35, was appointed as a non-executive Director on 7 June 2010. Mr. Gao obtained a bachelor’s degree in mechanical design and manufacture from 南京農業大學 (Nanjing Agricultural University) in 1999. He then worked as an assistant engineer in 常州長江客車集團有限公司 (Changzhou Changjiang Coach Group Company Limited\*). Mr. Gao has worked in the quality control department in 華偉納精密工具公司 (Hua Wei Na Jingmi Gongju Company\*) since December 2005. Mr. Gao is interested in approximately 25% of the share capital of Sinoref International Limited.

Save as disclosed above, in the three years immediately preceding the Latest Practicable Date, Mr. Gao had not held any directorship in listed public companies or other major appointments and qualifications.

Mr. Gao has entered into an appointment letter with the Company with an initial term of two year commencing from 7 June 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Gao or the Company giving not less than three months’ notice in writing expiring at the end of the initial term or at any time thereafter. Mr. Gao is entitled to a fixed director’s fee of HK\$10,000 per month. The director’s fee was mutually agreed upon between the Board and Mr. Gao with reference to the prevailing market conditions and was determined by the Board based on his anticipated effort and expertise to be exercised on the Company’s affairs.

As at the Latest Practicable Date, Mr. Gao was personally interested in 171,000,000 Shares pursuant to Part XV of the SFO, representing approximately 14.25% of the entire issued share capital of the Company as at the Latest Practicable Date. By virtue of the SFO, Ms. Chai Xiaoyuan, the spouse of Mr. Gao Zhilong, is deemed to be interested in the Shares in which Mr. Gao is interested for the purpose of Division 2 and Division 3 of Part XV of the SFO and hence also a substantial Shareholder. Mr. Gao was not related to any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.



**INDEPENDENT NON-EXECUTIVE DIRECTOR****Mr. Yang Fuqiang (“Mr. Yang”)**

Mr. Yang Fuqiang, aged 68, was appointed as an independent non-executive Director on 7 June 2010. He engaged in research and development work of nonferrous metals metallurgy, and was awarded the 三等國家發明獎 (Third State Invention Prize\*) in 1987. He was appointed as the deputy head and head of 工業綜合一司稀土處 (Department of Nonferrous Metals, Consolidated Industry Bureau\*) in 1998 and in 1990 respectively. Mr. Yang retired in December 1998.

Save as disclosed above, in the three years immediately preceding the Latest Practicable Date, Mr. Yang had not held any directorship in listed public companies or other major appointments and qualifications.

Mr. Yang has entered into an appointment letter with the Company with an initial term of two year commencing from 7 June 2010 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Yang or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter. Mr. Yang is entitled to a fixed director's fee of HK\$10,000 per month. The director's fee was mutually agreed upon between the Board and Mr. Yang with reference to the prevailing market conditions and was determined by the Board based on his anticipated effort and expertise to be exercised on the Company's affairs.

As at the Latest Practicable Date, Mr. Yang had no interest in the entire issued share capital of the Company as at the Latest Practicable Date. Mr. Yang was not related to any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of each of Mr. Gu, Mr. Gao and Mr. Yang and there is no information which is discloseable nor is/was Mr. Gu, Mr. Gao and Mr. Yang involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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**SINOREF**

**SINOREF HOLDINGS LIMITED**

**華耐控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1020)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Sinoref Holdings Limited (“**Company**”) will be held at The Focal Point, Level 10, World-wide House, 19 Des Voeux Road Central, Hong Kong on Tuesday, 12 June 2012 at 2:30 p.m. for the following purposes:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (“**Directors**”) of the Company and the Company’s auditors for the year ended 31 December 2011;
2. to declare a final dividend for the year ended 31 December 2011;
3. to consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) to re-elect Mr. Gu Aoxing as director;
  - (b) to re-elect Mr. Gao Zhilong as director;
  - (c) to re-elect Mr. Yang Fuqiang as director; and
  - (d) to authorise the board of directors to fix the directors’ remuneration;
4. to re-appoint Messrs. Deloitte Touche Tohmatsu as the Company’s auditors and to authorise the board of Directors to fix their remuneration;

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

5. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); 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 the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company 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 in the Company 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 of the Company 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 purchased 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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 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;

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to holders of shares in the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**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 and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Companies Law**”) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of shares in the Company which may be purchased or agreed to be purchased 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.”
7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above.”
8. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 7 June 2010 (“**Share Option Scheme**”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to Clause 8.2 of the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (“**Group**”) under the limit as refreshed hereby shall not exceed 10% of the total number

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## NOTICE OF ANNUAL GENERAL MEETING

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of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

- (b) the directors of the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

Yours faithfully,  
For and on behalf of  
the Board of Directors of  
**Sinoref Holdings Limited**  
**Xu Yejun**  
*Chairman*

Hong Kong, 14 May 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*

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

*Principal Place of Business in Hong Kong:*

Suite 2007  
Tower 1, Lippo Centre  
89 Queensway  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar ("**Branch Registrar**"), Tricor Investor Services Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 8 June 2012 to 12 June 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for voting at the meeting convened by the above notice, all transfers of shares accompanied by the relevant share certificates must be lodged with the Branch Registrar no later than 4:30 p.m. on 7 June 2012.
4. In relation to the proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the share option scheme of the Company.
5. In relation to the proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. 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 a circular to the shareholders.
6. As at the date of this notice, the board of Directors comprises Mr. Xu Yejun, Dr. Zhang Lanyin and Mr. Gu Aoxing as executive Directors, Mr. Gao Zhilong as non-executive Director, and Mr. Yao Enshu, Mr. Yang Fuqiang and Mr. Tsui Siu Hang, Steve as independent non-executive Directors.