



China Essence Group Ltd.

嵩天集团有限公司

(Incorporated in the Cayman Islands on 15 August 2005)
(Company Registration No. CT-152302)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Pan Pacific Singapore, Ocean 1, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 25 July 2014 at 2:30pm, with a simultaneous video conference at The Langham Xintiandi Shanghai (上海新天地朗廷酒店), Ruby Meeting Room, 99 Madang Road, Xintiandi, Shanghai 200021 to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the audited Financial Statements of the Company for the financial year ended 31 March 2014 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To re-elect Mr Er Kwong Wah, a Director retiring pursuant to Article 86(1) of the Company's Articles of Association. **(Resolution 2)**
Mr Er Kwong Wah will, upon re-election as a Director of the Company, remain as a Chairman of Nominating and Remuneration Committees and a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST").
3. To re-elect Mr Lawrence Leung Yik Man, a Director retiring pursuant to Article 85(6) of the Company's Articles of Association. **(Resolution 3)**
Mr Lawrence Leung Yik Man will, upon re-election as a Director of the Company, remain as Non-Executive Director. He will be considered non-independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.
4. To approve Directors' fees of S\$175,417 for the financial year ended 31 March 2014 (2013: S\$155,000). **(Resolution 4)**
5. To re-appoint BDO Limited, Hong Kong and BDO LLP, Singapore as joint auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

7. **Authority to allot and issue shares** **(Resolution 6)**
 - (a) "That, authority be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
 - (b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that
 - (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;
 - (a) new shares arising from the conversion or exercise of convertible securities, or
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and
 - (c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
 - (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(See Explanatory Note 1)
 8. **Authority to issue shares under China Essence Employee Share Option Scheme (the "Scheme")** **(Resolution 7)**
"That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the capital excluding treasury shares of the Company as may be required to be issued pursuant to the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 15% of the issued share capital excluding treasury shares of the Company from time to time, as determined in accordance with the provisions of the Scheme."

(See Explanatory Note 2)

By Order of the Board

Yap Kong Wai
Company Secretary
10 July 2014

Explanatory Notes:

1. The Ordinary Resolution 6 proposed in item 7 if passed, will authorise the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to allot and issue shares and convertible securities in the Company. The total number of shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed in aggregate 50% of the issued share capital excluding treasury shares. The total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued share capital excluding treasury shares of the Company at the time the resolution is passed.
2. The Ordinary Resolution 7 proposed in item 8, if passed, will empower the Directors of the Company to allot and issue shares pursuant to the exercise of such options under the Scheme not exceeding 15% of the issued share capital excluding treasury shares of the Company from time to time.

Notes:

1. With the exception of The Central Depository (Pte) Limited ("CDP") who may appoint more than two proxies, any member of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A Depositor who is an individual and whose name is shown in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) as at a time not earlier than 48 hours prior to the time of the Annual General Meeting need not submit the Depositor Proxy Form if he/she is attending the Annual General Meeting in person. A Depositor may appoint not more than two nominees, who shall be natural persons, to attend and vote in his/her/its place as proxy for CDP in respect of the number of the Shares held by the Depositor(s) by completing the Depositor Proxy Form.
3. Where a Depositor(s) is a corporation and wishes to be represented at the Annual General Meeting, it must appoint a nominee/nominees to attend and vote as proxy for CDP at the Annual General Meeting in respect of the number of the Depositor(s) Shares by completing the Depositor Proxy Form.
4. A Depositor(s) who wishes to appoint more than one proxy must specify the proportion of the number of the Depositor(s) Shares (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of the number of the Depositor(s) Shares is specified, the proxy whose name appears first shall be deemed to carry 100 per cent. of the number of the Depositor(s) Shares of his/her appointor and the proxy whose name appears second shall be deemed to be appointed in the alternate.
5. If a member of the Company wishes to appoint a proxy/proxies, then the Depositor Proxy Form must be duly completed, signed and deposited at the office of the Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.