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

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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 obtain independent professional advice or 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 PRADA S.p.A., 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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## **PRADA S.p.A.**

Via A. Fogazzaro n. 28, 20135 Milan, Italy  
Registry of Companies of Milan, Italy: No. 10115350158  
(*Incorporated under the laws of Italy as a joint-stock company*)  
(**Stock Code: 1913**)

### **PROPOSALS FOR AUDITED FINANCIAL STATEMENTS ALLOCATION OF NET INCOME AND FINAL DIVIDEND ELECTION OF DIRECTOR DIRECTORS' REMUNERATION AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Shareholders' General Meeting of PRADA S.p.A. (the "Company") to be held in Milan (Italy) at the Company's registered office at Via A. Fogazzaro n. 28, on Thursday, May 22, 2014 at 12:00 noon CET time / 6:00 p.m. Hong Kong time is set out on pages 7 to 9 of this circular. In accordance with article 17.4 of the Company's by-laws, persons entitled to attend and vote at the Shareholders' General Meeting are allowed to attend and vote through the video-conference system which will be located in Hong Kong at the registered office of Prada Asia Pacific Limited at 36/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong.

A form of proxy for use at the Shareholders' General Meeting is also enclosed. The form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.pradagroup.com](http://www.pradagroup.com)). Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong Share Registrar, 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 no later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

April 15, 2014

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## DEFINITIONS

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

“Board”	the Board of Directors of the Company
“By-laws”	the by-laws of the Company
“Company”	PRADA S.p.A., a company incorporated under the laws of Italy as a joint-stock company, the shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	April 11, 2014 being the latest practicable date prior to the printing of this circular for ascertaining the information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice of the Shareholders’ General Meeting set out on pages 7 to 9 of this circular
“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Share(s)”	share(s) of Euro 0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ General Meeting”	the annual general meeting of the Company to be held in Milan (Italy) at the Company’s registered office at Via A. Fogazzaro n. 28, on Thursday, May 22, 2014 at 12:00 noon CET time / 6:00 p.m. Hong Kong time and any adjournment thereof, notice of which is set out on pages 7 to 9 of this circular. In accordance with article 17.4 of the Company’s by-laws, persons entitled to attend and vote at the Shareholders’ General Meeting are allowed to attend and vote through the video-conference system which will be located in Hong Kong at the registered office of Prada Asia Pacific Limited at 36/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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# PRADA S.p.A.

Via A. Fogazzaro n. 28, 20135 Milan, Italy  
Registry of Companies of Milan, Italy: No. 10115350158  
(Incorporated under the laws of Italy as a joint-stock company)  
(Stock Code: 1913)

*Executive Directors:*

Mr. Carlo MAZZI (*Chairperson*)  
Ms. Miuccia PRADA BIANCHI  
(*Chief Executive Officer*)  
Mr. Patrizio BERTELLI (*Chief Executive Officer*)  
Mr. Donatello GALLI (*Chief Financial Officer*)  
Ms. Alessandra COZZANI

*Non-executive Director:*

Mr. Gaetano MICCICHÈ

*Independent Non-executive Directors:*

Mr. Gian Franco Oliviero MATTEI  
Mr. Giancarlo FORESTIERI  
Mr. Sing Cheong LIU

*Registered Office:*

Via A. Fogazzaro n. 28,  
Milan 20135  
Italy

*Principal place of business in Hong Kong:*

36/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

April 15, 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR  
AUDITED FINANCIAL STATEMENTS  
ALLOCATION OF NET INCOME AND FINAL DIVIDEND  
ELECTION OF DIRECTOR  
DIRECTORS' REMUNERATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to give you notice of the Shareholders' General Meeting and additional information regarding the four resolutions to be proposed at the Shareholders' General Meeting, including (1) the approval of the Audited Separate Financial Statements and the Audited Consolidated Financial Statements of the Company for the year ended January 31, 2014; (2) the allocation of the net income of the Company for the year ended January 31, 2014, including the declaration and distribution of a final dividend; (3) the election of a Director of the Company; and (4) the increase in the Directors' aggregate remuneration.

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## LETTER FROM THE BOARD

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### AUDITED FINANCIAL STATEMENTS

On April 2, 2014 the Board recommended the approval of the Audited Separate Financial Statements for the year ended January 31, 2014 (as prescribed under the applicable Italian laws) and the Audited Consolidated Financial Statements for the year ended January 31, 2014 together with the Reports of the Board, the Board of Statutory Auditors and the Independent Auditors at the forthcoming Shareholders' General Meeting.

### ALLOCATION OF NET INCOME AND FINAL DIVIDEND

On April 2, 2014 the Board recommended the approval at the forthcoming Shareholders' General Meeting of the allocation of the net income of the Company, for the year ended January 31, 2014, equal to Euro 395,574,305, as follows; (i) Euro 281,470,640 to Shareholders as a final dividend, in particular to declare and distribute a final dividend of Euro/cents 11 per share; (ii) Euro 114,103,665 to retained earnings.

Subject to the Shareholders approving the recommended final dividend, the dividend will be payable on or about Friday, June 20, 2014.

The dividend payments shall be made:

- (i) in Euro to the Shareholders recorded in the section of the Company's shareholders' register kept by the Company at its registered office in Milan (Italy), and
- (ii) in Hong Kong dollars to the Shareholders recorded in the section of the Company's shareholders' register kept in Hong Kong. The relevant exchange rate will be the opening buying T/T rate of Hong Kong dollars to Euros as announced by the Hong Kong Association of Banks ([www.hkab.org.hk](http://www.hkab.org.hk)) on Thursday, May 22, 2014, being the day of approval of the dividend by the Shareholders.

In order to qualify for the payment of the final dividend, all transfers accompanied by the relevant share certificate(s) must be lodged with:

- (i) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shop 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company's Hong Kong share registrar itself; or
- (ii) the Company's registered office in Milan (Italy), Via Antonio Fogazzaro n. 28, if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company at its registered office,

in any case, no later than 4:30 p.m. (Hong Kong time) on Wednesday, May 28, 2014.

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## LETTER FROM THE BOARD

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The Company's shareholders' register will be closed from Thursday, May 29, 2014 to Friday, May 30, 2014, both days inclusive, during which period no share transfer can be registered. The final dividend will be paid to Shareholders recorded on the Company's shareholders' register on Friday, May 30, 2014.

The dividend will be paid net of Italian withholding tax. The current rate of Italian withholding tax applicable to dividend payments is 20%. Further details in relation to the withholding tax have been disclosed in the Tax Booklet, which is available on the Company's website at [www.pradagroup.com](http://www.pradagroup.com).

Shareholders should seek independent professional advice in relation to the procedures and timing for obtaining a refund of Italian withholding tax, if applicable.

### ELECTION OF DIRECTOR

Pursuant to Articles 19.3 and 19.12 of the By-laws, the Company has received a notice from Prada Holding B.V., its substantial shareholder, proposing that Ms. Alessandra COZZANI, who is currently an Executive Director and was appointed by the Board of Directors on December 20, 2013 to fill a casual vacancy as a result of the resignation of Mr. Marco SALOMONI, rendered on December 19, 2013, be elected as a Director of the Company at the Shareholders' General Meeting. Ms. Alessandra COZZANI has confirmed her availability to offer herself for election. The appointment of Ms. Alessandra COZZANI as Director has also been recommended by the Nomination Committee in the meeting held on April 1, 2014. Her mandate as Director will expire at the same time as the other current Directors (i.e. on the date of the shareholders' general meeting to be convened for the approval of the financial statements of the Company for the year ending January 31, 2015).

### Ms. Alessandra COZZANI

Ms. Alessandra Cozzani, aged 51, was appointed as Executive Director of the Company on December 20, 2013. Ms. Cozzani holds directorships in subsidiaries of the Company. She has been the Group Investor Relations Director since July 2010 and she is responsible for managing financial communications and for relationships with the investment community. Ms. Cozzani joined the Group in 2000 and has covered different managerial roles within the Finance department. In 2003, she was appointed as Group Financial Reports Director. Ms. Cozzani obtained a degree "cum laude" (with praise) in Business Administration from the University of Genoa in 1988. She started her career as an auditor at Coopers & Lybrand (1989 to 1995). Prior to joining the Group, she worked in Castelletti International Transports, the Italian subsidiary of an international logistics company (now Schenker Group) for five years, most of the time as Finance and Control Director. She has not held any directorship in other listed companies in Hong Kong or overseas in the last three years.

Ms. Cozzani does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Cozzani does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

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## LETTER FROM THE BOARD

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Ms. Cozzani has entered into a letter of employment with the Company for the period until the date of the Shareholders' General Meeting. Ms. Cozzani is entitled to receive the annual director's fee of Euro 40,000. Upon her election as Director at the forthcoming Shareholders' General Meeting, she will receive the same annual director's fee of Euro 40,000 for the period expiring at the same date as the other current directors. Pursuant to Ms. Cozzani's employment agreement for the financial year ended January 31, 2014, she received remuneration and other benefits of Euro 170,464, a bonus and other incentives of Euro 107,550, benefits in kind of Euro 12,878 and pension, healthcare and TFR contributions of Euro 97,158. Her remuneration is determined on the basis of her relevant working experience and expertise, responsibility and workload.

Save as disclosed above, there is no other information concerning Ms. Cozzani that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders of the Company.

### **DIRECTORS' REMUNERATION**

Under Article 11.1 and Article 24 of the By-laws, the shareholders' general meeting on May 22, 2012 resolved the aggregate amount of compensation for the Board of Company for each of the three financial years of its relevant mandate, to be equal to Euro 2,700,000, of which Euro 360,000 shall be Directors' fees, Euro 2,180,000 shall be additional fees to be paid to Executive Directors and Euro 160,000 shall be additional fees to be paid to the members of the Board's committees.

It is proposed that the overall amount of compensation for the Board be increased to Euro 3,400,000 for the year ending January 31, 2015, of which Euro 360,000 shall be Directors' fees, Euro 2,880,000 shall be additional fees to be paid to Executive Directors and Euro 160,000 shall be additional fees to be paid to the members of the Board's committees.

In consideration of the fact that a new Chief Executive Officer was appointed on February 14, 2014, the Remuneration Committee in the meeting held on April 1, 2014 recommended to pay the new Chief Executive Officer, for the year ending January 31, 2015, the same Executive Director's fee paid by the Company to its other Chief Executive Officer. For this reason it is necessary to increase the overall amount of additional fees paid to Executive Directors by Euro 700,000.

The details of all emoluments (including fees, salaries, allowances, discretionary bonuses and contributions to pensions scheme) paid to the Directors for the year ended January 31, 2014 are set out in note 39 to the Consolidated Financial Statements of the Company.

### **WAIVER FROM STRICT COMPLIANCE WITH RULE 13.88 OF THE LISTING RULES**

As highlighted in the Prospectus of the Company dated June 13, 2011, the Company's auditor, under Italian law, is appointed and its remuneration is determined every three years by the Shareholders in a shareholders' general meeting of the Company, on the basis of a proposal from the board of statutory auditors.

Since it is not possible for the Company as a matter of Italian law to comply with the first sentence of the Listing Rule 13.88 (relating to the appointment of an auditor at each annual general meeting to hold office from the conclusion of that meeting until the next annual general meeting), the Company has sought and obtained from the Stock Exchange a waiver from strict compliance with Listing Rule 13.88. The waiver was granted on April 13, 2012.

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## LETTER FROM THE BOARD

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At the shareholders' general meeting of the Company held on May 23, 2013, it was resolved that the auditor be appointed for a term of three financial years. Accordingly, the auditor's mandate will expire at the shareholders' general meeting to be convened for the approval of the financial statements of the Company for the year ending January 31, 2016.

### NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 7 to 9 of this circular.

### FORM OF PROXY

A form of proxy is enclosed for use at the Shareholders' General Meeting. The form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.pradagroup.com](http://www.pradagroup.com). Whether or not you intend to be present at the Shareholders' General Meeting, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon by no later than 48 hours before the time fixed for the holding of the Shareholders' General Meeting. Completion and delivery of the form of proxy will not prevent you from attending (and voting) at the Shareholders' General Meeting or any adjournment thereof should you so wish.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, a vote of Shareholders at the Shareholders' General Meeting must be taken by poll. The Chairman of the Shareholders' General Meeting will demand a poll on each of the questions submitted for determination at the Shareholders' General Meeting. The results of the poll will be announced at the Shareholders' General Meeting and will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.pradagroup.com](http://www.pradagroup.com) following the Shareholders' General Meeting.

### RECOMMENDATION

The Directors believe that the proposed resolutions for the approval of the audited financial statements of the Company and the Group, the allocation of the net income of the Company, including the declaration and distribution of a final dividend, the election of a Director and the approval of the Board's aggregate remuneration for the year ending January 31, 2015 are in the interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all four resolutions to be proposed at the Shareholders' General Meeting.

Yours faithfully  
By order of the Board  
**PRADA S.p.A.**  
**Mr. Carlo MAZZI**  
*Chairperson*

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## NOTICE OF ANNUAL GENERAL MEETING

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# PRADA S.p.A.

Via A. Fogazzaro n. 28, 20135 Milan, Italy  
Registry of Companies of Milan, Italy: No. 10115350158  
(Incorporated under the laws of Italy as a joint-stock company)  
(Stock Code: 1913)

NOTICE IS HEREBY GIVEN that the Shareholders' General Meeting of PRADA S.p.A. (the "Company") will be held in Milan (Italy) at the Company's registered office at Via A. Fogazzaro n. 28, on Thursday, May 22, 2014 at 12:00 noon CET time / 6:00 p.m. Hong Kong time. In accordance with article 17.4 of the Company's by-laws, persons entitled to attend and vote at the Shareholders' General Meeting are allowed to attend and vote through the video-conference system which will be located in Hong Kong at the registered office of Prada Asia Pacific Limited at 36/F, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong.

The Shareholders' General Meeting will be convened for the purpose of considering and, if thought fit, passing (with or without amendments) the following four resolutions:

1. To approve the Audited Separate Financial Statements, which show a net income of Euro 395,574,305, and the Audited Consolidated Financial Statements of the Company for the year ended January 31, 2014 together with the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.
2. To approve the allocation of the net income for the year ended January 31, 2014 as follows: (i) Euro 281,470,640 to Shareholders as a final dividend, in particular to declare and distribute a final dividend of Euro/cents 11 per share to be paid on or about Friday, June 20, 2014; and (ii) Euro 114,103,665 to retained earnings.
3. To elect Ms. Alessandra COZZANI as a Director of the Company for a term expiring on the date of the shareholders' general meeting called to approve the financial statements for the year ending January 31, 2015.
4. To approve the aggregate compensation of the Directors for the financial year ending January 31, 2015 in the overall amount of Euro 3,400,000, of which: Euro 360,000 will be Directors' fees, Euro 2,880,000 will be additional fees to be paid to Executive Directors and Euro 160,000 will be fees for members of the Board's committees.

By Order of the Board  
**PRADA S.p.A.**  
**Mr. Carlo MAZZI**  
*Chairperson*

Milan (Italy), April 15, 2014

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*

Via A. Fogazzaro n. 28 Milan 20135  
Italy

*Principal place of business in Hong Kong:*

36/F, Gloucester Tower, The Landmark  
11 Pedder Street, Central  
Hong Kong

*Notes:*

- (1) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder of the Company.
- (2) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the persons so present whose name stands first on the register of Shareholders in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof), shall be deposited with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 48 hours before the time fixed for the holding of the Shareholders' General Meeting. The form of proxy is published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.pradagroup.com](http://www.pradagroup.com). The completion and return of the form of proxy shall not preclude Shareholders of the Company from attending and voting in person at the above meeting (or any adjournment thereof) if they so wish.
- (4) Verification of the entitlement to attend and vote at the Shareholders' General Meeting will be carried out at the place where such meeting will be held or where the video-conference system is located in Hong Kong and will start one hour before the time fixed by this notice (i.e. 11:00 a.m. CET time / 5:00 p.m. Hong Kong time) and will close at 11:55 a.m. CET time at the registered office of the Company in Milan / 5:55 p.m. Hong Kong time at the registered office of Prada Asia Pacific Limited in Hong Kong. Shareholders entitled to attend and vote arriving after this time will not be allowed to attend or vote at the Shareholders' General Meeting. As a requirement of Italian law, the Company will announce at the commencement of the Shareholders' General Meeting the number of shares and % present.
- (5) The transfer books and Company's shareholders' register will be closed during the following periods.

(i) *Shareholders' General Meeting*

In order to qualify for attending and voting at the Shareholders' General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with: (a) the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shop 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong,

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## NOTICE OF ANNUAL GENERAL MEETING

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if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company's Hong Kong Share Registrar, or (b) the Company's registered office in Milan (Italy), Via A. Fogazzaro n. 28, if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company at its registered office, in any case no later than 4:30 p.m. (Hong Kong time) on Monday, May 19, 2014. The Company's shareholders' register will be closed from Tuesday, May 20, 2014 to Thursday, May 22, 2014, both days inclusive, during which period no shares transfer can be registered.

The Shareholders recorded on the Company's shareholders' register on Thursday, May 22, 2014, opening of business, will be allowed to attend and vote at the above meeting.

(ii) *Proposed Final Dividend*

In order to qualify for the payment of the final dividend, all transfers accompanied by the relevant share certificates must be lodged with: (a) the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shop 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company's Hong Kong Share Registrar, or (b) the Company's registered office in Milan (Italy), Via A. Fogazzaro n. 28, if the transfer concerns shares registered in the section of the Company's shareholders' register kept by the Company at its registered office, in any case no later than 4:30 p.m. (Hong Kong time) on Wednesday, May 28, 2014. The Company's shareholders register will be closed from Thursday, May 29, 2014 to Friday, May 30, 2014, both days inclusive, during which period no share transfers can be registered.

The final dividend will be paid to the shareholders recorded on the Company's shareholders' register on Friday, May 30, 2014 and the payment date will be on or about Friday, June 20, 2014.

- (6) The Chairman of the meeting will demand a poll on each of the questions submitted for determination at the Shareholders' General Meeting.