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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 your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kingdom Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 528)

**RENEWAL OF
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Room 2402, 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 18 May 2011 at 10:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you intend to attend and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 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 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. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

13 April 2011

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Room 2402, 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 18 May 2011 at 10:00 a.m. and notice of which is set out on pages 13 to 16 of this circular, or where the context so admits, any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Kingdom Holdings Limited (金達控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“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 People’s Republic of China
“Latest Practicable Date”	7 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended from time to time
“%”	per cent

LETTER FROM THE BOARD

KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 528)

Executive Directors:

Mr. REN Wei Ming (*Chairman*)

Mr. SHEN Yueming

Mr. ZHANG Hong Wen

Non-executive Directors:

Mr. NGAN Kam Wai Albert

Mr. TSE Chau Shing Mark

Independent Non-executive Directors:

Mr. YANG Donghui

Mr. LAU Ying Kit

Mr. LO Kwong Shun Wilson

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business
in Hong Kong:*

Level 28

Three Pacific Place

1 Queen's Road East

Hong Kong

13 April 2011

To: the Shareholders of the Company

Dear Sir or Madam

**RENEWAL OF
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the renewal of general mandates to allot, issue and deal with the Shares and to repurchase Shares and the re-election of Directors.

At the Annual General Meeting, resolutions, amongst others, will be proposed for the Shareholders to approve (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors.

LETTER FROM THE BOARD

RENEWAL OF GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the Annual General Meeting of the Company held on 17 May 2010, resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolutions and (ii) to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may be repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue is 622,500,000 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 62,250,000 Shares, being 10% of the entire issued share capital of the Company as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Articles 87 and 88 of the Articles of Association, each of Mr. Zhang Hong Wen, Mr. Tse Chau Shing Mark and Mr. Yang Donghui will retire from office of Directors at the Annual General Meeting, and being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Zhang Hong Wen as executive Director, Mr. Tse Chau Shing Mark as non-executive Director and Mr. Yang Donghui as independent non-executive Director. The biographical details of such retiring Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Room 2402, 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 18 May 2011 at 10:00 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the Annual General Meeting as set out on pages 13 to 16 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 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 the holding of 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. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the renewal of the General Mandate and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By Order of the Board
Mr. REN Wei Ming
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 622,500,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 62,250,000 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution.

2. REASONS FOR SHARE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2010 (as disclosed in its latest audited financial statements for the year ended 31 December 2010), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASE

The Company is empowered by its Memorandum and Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Companies Law, out of capital of the Company. The amount of premium payable on repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Law, out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation 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 Company, Mr. Ren Wei Ming, the chairman of the Company, together with Kingdom Investment Holdings Limited, a controlling Shareholder and a company beneficially owned as to approximately 67.81% by Mr. Ren Wei Ming, held approximately 45.45% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Mr. Ren Wei Ming and Kingdom Investment Holdings Limited would be increased to approximately 50.50% of the then issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. However, the Company has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of Shares held by the public being reduced to less than 25% of the issued share capital of the Company.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

7. SHARE REPURCHASES BY THE COMPANY

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

8. SHARE PRICES

During the period from 1 April 2010 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.550	0.460
May	0.495	0.365
June	0.430	0.380
July	0.420	0.370
August	0.610	0.405
September	0.550	0.470
October	0.640	0.485
November	0.880	0.550
December	0.870	0.760
2011		
January	0.800	0.710
February	0.790	0.650
March	0.900	0.650
April (up to the Latest Practicable Date)	0.740	0.700

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

ZHANG HONG WEN (張鴻文)

Mr. Zhang Hong Wen (張鴻文), aged 44, is an executive Director. He is also a director and the financial controller of 浙江金元亞麻有限公司 (Zhejiang Jinyuan Flax Co., Ltd.*) and 江蘇金元亞麻有限公司 (Jiangsu Jinyuan Flax Co., Ltd.*), both of which are subsidiaries of the Company. Before joining the Group in 2003, he was the assistant to the general manager and the head of capital clearing division of 浙江金達創業股份有限公司 (Zhejiang Kingdom Creative Co., Ltd.*) from 2000 to 2002.

As at the Latest Practicable Date, Mr. Zhang did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Zhang has not been appointed for a specific term but will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. He is entitled to a director's fee of RMB550,000 per annum which is determined with reference to remuneration benchmark in the industry and the prevailing market conditions.

TSE CHAU SHING MARK (謝宙勝)

Mr. Tse Chau Shing Mark (謝宙勝), aged 58, is a non-executive Director. Mr. Tse joined the Group in May 2009. He is currently an independent business consultant and investor. Mr. Tse was previously employed under various banking titles at The First National Bank of Chicago (now part of JP Morgan Chase, a company listed on the New York Stock Exchange) from 1975 to 1980, and subsequently as director of Hill Samuel Merchant Bank (now part of Lloyds Bank plc, a company quoted on the London Stock Exchange) till 1987. He was appointed as managing director of Tractebel Pacific Limited in 1987 and remained full time in this position until 1993. Since 1994, Mr. Tse has worked as an independent business consultant for over 20 multinational companies on different assignments. He has 17 years of experience in advising European and US companies on joint ventures in China and South East Asia. Among his various duties, Mr. Tse is also senior advisor-China of Caledonia Investments plc., a company listed on the London Stock Exchange and a shareholder of the Company. He obtained bachelor and master degrees in Engineering from University of Cambridge and a master degree in Business Administration from University of Chicago. Mr. Tse has discloseable personal interests in the shares of the Company under the provisions of Division 3 of Part XV of the SFO.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Tse did not hold directorships in any listed public companies in the last three years. The details of Mr. Tse's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" of the Annual Report As at the Latest Practicable Date, Mr. Tse was interested in 17,550,000 Shares.

Save as disclosed above, Mr. Tse (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Tse has entered into a service agreement with the Company for a term of 3 years commencing from 1 January 2010 and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. He is entitled to a director's fee of HK\$120,000 per annum which is determined at the same rate as that payable by the Company to other non-executive Director, for acting as a non-executive Director.

YANG DONGHUI (楊東輝)

Mr. Yang Donghui (楊東輝), aged 65, is an independent non-executive Director. Mr. Yang has been working in the 中國紡織工業協會 (China National Textile & Apparel Council*) (formerly known as the 中國紡織工業部 (China Textile Industry Department*) and 中國紡織總會 (China Textile General Chambers*)) since 1977 and is currently the vice president of this organization. He has been the president of the 中國家用紡織品行業協會 (National Association of Domestic Textile Products Industry*) since 1999. He was a director of U-Right International Holdings Limited (Stock code: 627), a listed company in Hong Kong from 13 July 2005 to 6 October 2008. Mr. Yang joined the Group in November 2006. He graduated from 工程化學系 (Department of Chemical Engineering*) of 清華大學 (Tsinghua University*) in 1970.

As at the Latest Practicable Date, Mr. Yang did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yang (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Yang has entered into a service contract with the Company for a term of 3 years commencing from 1 January 2010 and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. He is entitled to a director's fee of RMB96,000 per annum which is determined with reference to remuneration benchmark in the industry and the prevailing market conditions.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

Others

There is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The English names of the PRC entities mentioned herein marked “” are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.*

NOTICE OF ANNUAL GENERAL MEETING

KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 528)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Kingdom Holdings Limited (the “**Company**”) will be held at Room 2402, 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Wednesday, 18 May 2011 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2010;
2. To declare a final dividend of HK5 cents per ordinary share of the Company for the year ended 31 December 2010;
3. To re-elect the following Directors:
 - (a) Mr. Zhang Hong Wen as executive Director;
 - (b) Mr. Tse Chau Shing Mark as non-executive Director; and
 - (c) Mr. Yang Donghui as independent non-executive Director;
4. To authorise the board of Directors to fix the Directors’ remuneration;
5. To re-appoint Ernst & Young as Auditors of the Company and authorise the board of Directors to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation gives to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from 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 or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in a general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such

NOTICE OF ANNUAL GENERAL MEETING

exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from 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 or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in a general meeting.”; and

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 6 and 7 above, the general mandate to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 7, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board
Mr. REN Wei Ming
Chairman

Hong Kong, 13 April 2011

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, 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 joint holding.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from 16 May 2011 to 18 May 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 13 May 2011.

As at the date of this notice, the executive Directors of the Company are Mr. Ren Wei Ming, Mr. Shen Yueming and Mr. Zhang Hong Wen; the non-executive Directors of the Company are Mr. Ngan Kam Wai Albert and Mr. Tse Chau Shing Mark; and the independent non-executive Directors of the Company are Mr. Yang Donghui, Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson.