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

If you have sold or transferred all your shares in Nam Hing Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or 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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NAM HING HOLDINGS LIMITED

南興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 986)

EXTENSION OF PLACING AGREEMENT AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of Nam Hing Holdings Limited to be held at Falcon Room I, Gloucester Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong at 10:30 a.m. on 11 February 2011 is set out on pages 13 and 14 of this circular. Whether or not you intend to attend and vote at such meeting in person, you are advised to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time appointed for holding such 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 meeting or any adjourned meeting should you so wish.

* For identification purposes only

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DEFINITIONS

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

“associates”	has the meaning ascribed to it in the Listing Rules
“Balance Convertible Bonds”	the balance of the Convertible Bonds to be placed pursuant to the Placing Agreement in the principal amount of HK\$90 million
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Bye-laws”	Bye-laws of the Company
“Company”	Nam Hing Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Conditions Precedent”	the conditions precedent for the completion of the Placing as set out in the Placing Circular
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Conversion Price”	being the higher of (i) the average closing price per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately before the date of conversion and (ii) the nominal value of the Shares
“Conversion Shares”	the Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible redeemable bonds in the maximum principal amount of HK\$200,000,000 to be issued by the Company to the Placees pursuant to the Placing Agreement
“Director(s)”	the director(s) of the Company
“Extension”	the proposed extension of the Placing Agreement pursuant to the Letter of Confirmation

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Letter of Confirmation”	the letter of confirmation dated 31 December 2010 made between the Placing Agent and the Company relating to the extension of the Placing Agreement
“Placees”	any individual, institutional or other professional investor procured by the Placing Agent to subscribe for any of the Convertible Bonds pursuant to the Placing Agreement
“Placing”	the placing of the Convertible Bonds by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited
“Placing Agreement”	the conditional placing agreement entered into between the Placing Agent and the Company dated 2 July 2010 in relation to the placing of the Convertible Bonds
“Placing Circular”	the Company’s circular dated 30 July 2010 relating to, among others, the Placing
“Latest Practicable Date”	20 January 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“SGM”	the special general meeting of the Company to be held on 11 February 2011 at Falcon Room I, Gloucester Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong at 10:30 a.m.
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time
“%”	per cent.

LETTER FROM THE BOARD



NAM HING HOLDINGS LIMITED

南興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 986)

Executive Director:

Mr. Lau Chung Yim (*Chairman*)

Ms. Lau May Wah

Ms. Deng Hong Mei

Ms. Chan Ching Ho, Kitty

Mr. Xiang Liang

Ms. Chen Tong

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal place of
business in Hong Kong:*

27/F., Yuen Long Trade Centre,

99-109 Castle Peak Road,

Yuen Long, New Territories,

Hong Kong

Independent non-executive Directors:

Mr. Pravith Vaewhongs

Mr. Yau Kwan Shan

Mr. Tse Yuk Kong

Mr. Lam Kwun Fu

Ms. Zhou Jue

24 January 2011

To the Shareholders

Dear Sir/Madam,

EXTENSION OF PLACING AGREEMENT AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Placing Circular relating to the Placing of the Convertible Bonds which was approved by Shareholders at the Company's special general meeting on 16 August 2010.

* For identification purposes only

LETTER FROM THE BOARD

As disclosed in the Company's announcement dated 1 November 2010, the Company and the Placing Agent mutually agreed in writing on 29 October 2010 to extend the date of fulfillment of the Conditions Precedent to 31 December 2010 (or such later date as may be agreed between the Company and the Placing Agent in writing). All other terms and conditions of the Placing Agreement remained unchanged.

The Company further announced on 3 January 2011 that the Placing Agent and the Company entered into a letter of confirmation to extend the date of fulfillment of the Conditions Precedent to 31 March 2011 (or such later date as may be agreed between the Company and the Placing Agent in writing), subject to the approval by the Company's Shareholders.

The purpose of this circular is to give you information regarding the proposed Extension of the Placing Agreement and the latest status of the Placing and Convertible Bonds; and to seek Shareholders' approval on the Extension.

THE LETTER OF CONFIRMATION

Date

31 December 2010

Parties

- (1) The Company; and
- (2) Cheong Lee Securities Limited as the Placing Agent.

Pursuant to the Letter of Confirmation, the Placing Agent and the Company agreed to extend the date of fulfilment of the Conditions Precedent to 31 March 2011 (or such later date as may be agreed between the Company and the Placing Agent in writing), subject to the approval by the Company's shareholders. All other terms and conditions of the Placing Agreement shall remain unchanged.

The Placing Agent will receive a non-refundable administration fee of HK\$50,000 upon signing of the Letter of Confirmation. The administration fee was determined after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the administration fee is fair and reasonable.

LETTER FROM THE BOARD

CURRENT STATUS OF PLACING

Placing and conversion

Up to 31 December 2010, the Placing Agent has successfully procured and the Company has issued to not less than six subscribers who are Independent Third Parties for the Convertible Bonds in the total principal amount of HK\$110,000,000.00 pursuant to the Placing Agreement and the net proceeds was approximately HK\$106 million. As at the Latest Practicable Date, all the placed Convertible Bonds have been converted into Shares by those Placees. None of the Placees became a substantial shareholder of the Company after conversion.

It is expected that the Extension will enable the Placing Agent to place the Balance Convertible Bonds in the principal amount of HK\$90 million pursuant to the Placing Agreement. In the event that the Balance Convertible Bonds were not fully placed upon expiry of the Extension, i.e. 31 March 2011, the Company may consider further extending the Placing Agreement, subject to agreement of the Placing Agent and Shareholders' approval for any such further extension.

Based on the minimum Conversion Price of HK\$0.10, being the nominal value of the Shares, a maximum number of 900,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Balance Convertible Bonds in full, which represent approximately 51.38% of the existing issued share capital of the Company and approximately 33.94% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The conversion rights attaching to the Convertible Bonds shall only be exercisable so long as the public float of at least 25% of the issued share capital of the Company as enlarged by the issue of Conversion Shares can be maintained and it does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder and any parties acting in concert with it (as defined under the Takeovers Code). The Company shall comply with the public float requirements under the Listing Rules at all times and take appropriate steps/measures to ensure sufficient public float of the Shares at all times.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Conversion Shares.

LETTER FROM THE BOARD

Placees and Shareholding structure

The Balance Convertible Bonds will be placed to not less than six Placees (who will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. Further announcement will be made by the Company if the Placing Agent fails to identify at least six Placees. As at the Latest Practicable Date, the Directors are unable to determine whether any such investors will become a substantial shareholder of the Company as a result of completion of the Placing and full conversion of the Balance Convertible Bonds.

For illustrative purpose only, set out below are (i) the shareholding structure of the Company as at the Latest Practicable Date; and (ii) the shareholding structure of the Company assuming full exercise of the conversion rights attached to the Balance Convertible Bonds at the minimum Conversion Price of HK\$0.10:

Shareholders	As at the Latest Practicable Date		Immediately after completion of Placing of the Balance Convertible Bonds and assuming full conversion thereof at the minimum Conversion Price of HK\$0.10	
			No.	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Chen Zhong	110,000,000	6.28	110,000,000	4.15
Lau Chung Yim (<i>note</i>)	546,000	0.03	546,000	0.02
Lau May Wah (<i>note</i>)	219,200	0.01	219,200	0.01
Public Shareholders	1,640,844,012	93.68	1,640,844,012	61.88
Placees	<u>0</u>	<u>0.00</u>	<u>900,000,000</u>	<u>33.94</u>
Total	<u>1,751,609,212</u>	<u>100.00</u>	<u>2,651,609,212</u>	<u>100.00</u>

Note : They are directors of the Company.

LETTER FROM THE BOARD

Shareholders and potential investors should note that in the event that the conversion rights attaching to the Balance Convertible Bonds are exercised in full, there may be massive dilution to the existing Shareholders. Shareholders and potential investors should exercise caution when dealing in the Shares.

Use of proceeds

In respect of the Convertible Bonds in the principal amount of HK\$110 million already placed, the net proceeds thereof was approximately HK\$106 million, of which HK\$96 million have been paid as refundable earnest money pursuant to the framework agreement dated 19 November 2010 relating to the possible acquisition of a recycling business (“**Recycling Business Acquisition**”) in the PRC as disclosed in the Company’s announcements dated 19 November 2010, 30 November 2010 and 4 January 2011. Approximately HK\$5.7 million have been used for working capital of the Group and professional fees and the balance is being held as bank deposit and intended to be used as general working capital.

The net proceeds from the placing of the Balance Convertible Bonds will be approximately HK\$87 million, which is intended to be used for financing the Recycling Business Acquisition, other possible acquisitions and general working capital. In the event that the Company shall proceed with the possible voluntary cash offer (“**Possible Offer**”) set out in the Company’s announcement dated 14 January 2011 and no other financing is available for the Possible Offer, up to approximately HK\$50 million will be used to finance the Possible Offer. In the event that the Company does not proceed with the Recycling Business Acquisition and the Possible Offer, the net proceeds will be used for general business developments including other possible acquisitions and general working capital of the Group.

Conversion price

According to the terms of the Convertible Bonds, the Conversion Price shall be the higher of (i) the average closing price per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately before the date of conversion and (ii) the nominal value of the Shares.

The Directors noted that since July 2010 the market price of the Shares has been decreased from around HK\$0.3 to around HK\$0.1, being its nominal value. However the Directors are optimistic about the future prospect of the Group in view of the business developments of the Group. The Directors consider that the floating conversion price with reference to the market price for the Convertible Bonds under the current market conditions is fair and reasonable and in the interest of the Company and its Shareholders as a whole because it enables the Company to capture the upside benefit should the market prices of the Shares rise in the future.

LETTER FROM THE BOARD

THE GROUP'S BUSINESS AND FINANCIAL CONDITION

Your attention is drawn to (i) the announcement made by the Company on 30 November 2010 in relation to the Recycling Business Acquisition; (ii) the 2011 interim report of the Company; and (iii) the circular issued by the Company on 24 December 2010 in relation to the disposal of the industrial laminates and copper foils manufacturing business. In 2010, the Group has conducted a series of business restructuring including: (i) disposal of manufacturing plants and facilities for manufacturing industrial laminates and copper foils and relevant connected transactions as announced by the Company on 28 June 2010; (ii) acquisition of 9.9% issued share capital of Swift Profit International Limited as announced by the Company on 16 July 2010; (iii) proposed disposal of the Suzhou property as announced by the Company on 4 November 2010; and (iv) possible acquisition of 80% of the issued share capital of Ideal Market Holdings Limited as announced by the Company on 19 November 2010. The Directors believe that it is in the interest of the Company and the Independent Shareholders as a whole to re-allocate the management and the Group's financial resources to more prospective business.

The management discussion and analysis on the Group's businesses is as follows:

Trading and manufacturing of printed circuit board ("PCB")

As published in the 2011 interim report, for the six months ended 30 September 2010, the PCB division recorded a turnover of HK\$28,748,000 (2009: HK\$22,970,000). The Group has placed more focus on the PCB business in the period under review. Although the PCB market is not picking up generally, the Group has still achieved an increase in turnover. With attendance at trade shows and launch of more aggressive marketing and promotion campaigns, new customers have been attracted to the Group. With the increase in turnover, the profitability of the Group's PCB business is expected to be improved. It is further expected that the PCB division will be the Group's main focus in the coming years.

Investment in electric car battery business

On 16 July 2010, the Company entered into an agreement pursuant to which the Company conditionally agreed to acquire 9.9% of the issued share capital of Swift Profit International Limited ("**Swift Profit**") at a consideration of HK\$170,000,000. Swift Profit is exclusively licensed to apply the technology of manufacturing of electric car battery. Completion of the acquisition took place on 29 December 2010 and the consideration was settled as to HK\$99 million by convertible notes and the balance by cash. As at the Latest Practicable Date, HK\$68,360,000 of the convertible notes have been converted.

LETTER FROM THE BOARD

Under the business model of Swift Profit, it will receive a royalty fee of 12% from Zhongsheng Dongli New Energy Investment Limited (“**Zhongsheng**”) on sale of multi-element polymer battery to the market without bearing any production cost and capital expenditure. Zhongsheng has already secured orders from the automotive manufacturers for 200 electric vehicles. Based on the secured orders from the automotive manufacturers, it is estimated that 3,000 sets of the multi-element polymer battery will be sold to the automotive manufacturers in 2012. It is expected that the electric car battery business will generate revenue of approximately HK\$25 million to Swift Profit in the first quarter of 2011. The Board is of the view that the electric car battery business will be developed into a sustainable income source for the Group.

Recycling Business Acquisition

On 19 November 2010, the Company entered into a framework agreement with four parties in relation to a possible acquisition of 80% of the issued share capital of Ideal Market Holdings Limited. Ideal Market Holdings Limited indirectly holds Suzhou Baina Renewable Resources Co., Ltd (“**Suzhou Baina**”) which is principally engaged in the recycling business of waste paper, scrap metal and consumable waste. Under the framework agreement, the Company will pay HK\$180,000,000 as refundable earnest money. As announced on 4 January 2011, HK\$96,000,000 has been paid by the Company as earnest money and due diligence on Suzhou Baina is in process. Further announcement(s) in relation to the possible acquisition will be made as when appropriate.

According to the information provided by the vendors, Suzhou Baina recorded an unaudited revenue, profit/(loss) before taxation and profit/(loss) after taxation of approximately RMB19.06 million, RMB(2.40) million and RMB(2.40) million for the year ended 31 December 2008 and, approximately RMB241.94 million, RMB19.78 million and RMB16.69 million for the year ended 31 December 2009. The Board considers that this proposed acquisition may enable the Group to enter into the promising “green industry” and can improve the financial results of the Group in the future.

LETTER FROM THE BOARD

Possible Voluntary Offer

On 14 January 2011, the Company announced the possible voluntary cash offer for all outstanding securities of Suncorp Technologies Limited (“**Suncorp**”), a company listed on the main board of the Stock Exchange. The Possible Offer will be made by the Company and Poly Strategic Investments Limited jointly in the proportion of 18% and 82% respectively. It is expected that the Possible Offer will constitute a major acquisition for the Company. Suncorp is principally engaged in design, manufacture and sales of telephones. If the Possible Offer shall materialize, the Company intends to hold the securities as long term investment. The Company considers that there are potentials for development of Suncorp’s business and the Company will also look into possible synergy in the businesses of Suncorp and the Company in the future.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below are the details of the equity fund raising activities conducted by the Company for the 12 months immediately before the date of the Company’s announcement dated 3 January 2011:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
31 May 2010	Placing of new shares	Approximately HK\$28 million	General working capital of the Group and/or financing the possible acquisition under the Supplemental MOU as set out in the Company’s announcement dated 18 May 2010 if materialised.	Used as intended.
2 July 2010	The Placing of Convertible Bonds for the amount of HK\$110 million	Approximately HK\$106 million	Up to approximately HK\$100 million for financing the acquisition set out in the Company’s announcement dated 16 July 2010 and the balance of not more than HK\$50 million will be used as general working capital to maintain liquidity and net current assets position of the Group and the remaining balance for general acquisition activities.	HK\$96 million have been paid as refundable earnest money for Recycling Business Acquisition. Approximately HK\$5.7 million have been used for working capital of the Group and professional fees and the balance is being held as bank deposit and intended to be used as general working capital.

SGM

Notice of the SGM is set out on pages 13 and 14 of this circular. All resolutions to be proposed at the SGM will be voted on by poll.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting in person, you are advised to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time appointed for holding such 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 meeting or any adjourned meeting should you so wish.

No Shareholder has any material interest in the Extension. Therefore no Shareholder is required to abstain from voting at the SGM in respect of the resolutions to approve the same.

RECOMMENDATION

The Directors consider that the Extension is in the interest of the Company and the Shareholders as a whole and so recommend you to vote in favour of the resolutions to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the 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.

Yours faithfully
By order of the Board
NAM HING HOLDINGS LIMITED
Lau Chung Yim
Chairman

NOTICE OF SPECIAL GENERAL MEETING



NAM HING HOLDINGS LIMITED

南興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 986)

NOTICE IS HEREBY GIVEN that a special general meeting of Nam Hing Holdings Limited (“**Company**”) will be held at Falcon Room I, Gloucester Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong, on 11 February 2011 at 10:30 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

“THAT

1. (a) the Letter of Confirmation (as defined in the circular dated 24 January 2011 despatched to the shareholders of the Company (the “**Circular**”)), a copy of which has been produced to the SGM marked “A” and signed by the chairman of the SGM for the purpose of identification, dated 31 December 2010, and all the transactions contemplated thereunder, be and is hereby approved, ratified and confirmed;
- (b) the issue of the Convertible Bonds (as defined in the Circular) by the Company in accordance with the terms and conditions of the Placing Agreement and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (c) the issue and allotment of new ordinary shares of the Company which may fall to be issued upon the exercise of the conversion rights attached to the Convertible Bonds be and are hereby approved; and

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

- (d) the directors of the Company be and is/are hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be in their discretion consider necessary, desirable or expedient to carry and implement the Placing Agreement and the Letter of Confirmation and all the transactions contemplated thereunder into full effect.”

By order of the Board
NAM HING HOLDINGS LIMITED
Lau Chung Yim
Chairman

Date: 24 January 2011

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
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 certified copy of such power or authority must be deposited with the Company's branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.

As at the date of this notice, the Board comprises six executive Directors, namely Mr. Lau Chung Yim, Ms. Lau May Wah, Ms. Deng Hong Mei, Ms. Chan Ching Ho, Kitty, Mr. Xiang Liang and Ms. Chen Tong; and five independent non-executive Directors, namely Mr. Pravith Vaewhongs, Mr. Yau Kwan Shan, Mr. Tse Yuk Kong, Mr. Lam Kwun Fu and Ms. Zhou Jue.