
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CNC Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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 the transferee.

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CNC HOLDINGS LIMITED 中國新華電視控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8356)

(1) PROPOSED GRANT OF GENERAL MANDATES TO ALLOT AND ISSUE NEW SHARES AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES; (2) PROPOSED RE-ELECTION OF DIRECTORS; AND (3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at Room 3, United Conference Centre Limited, 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 7 September 2012 at 10:00 a.m. is set out on pages 19 to 23 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, 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.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication and on the website of the Company at <http://www.cncv.hk>.

28 June 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held on Friday, 7 September 2012 at 10:00 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors
“Articles of Association”	the articles of association of the Company, and the “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors from time to time
“Company”	CNC Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (Stock Code: 8356)
“Director(s)”	the director(s) of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution granting of such general mandate by the Shareholders
“Group”	the Company and all of its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 June 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting of such repurchase mandate by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“TY Civil”	Tsun Yip Civil Construction Company Limited, a company incorporated in Hong Kong with limited liability on 16 June 2000 and an indirect wholly-owned subsidiary of the Company
“TYW”	Tsun Yip Waterworks Construction Company Limited, a company incorporated in Hong Kong with limited liability on 6 February 1996 and an indirect wholly-owned subsidiary of the Company
“%”	per cent.



CNC HOLDINGS LIMITED
中國新華電視控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

Executive Directors:

Mr. Wu Jin Cai
Dr. Lee Yuk Lun
Mr. Zou Chen Dong
Ms. Wu Xu Hong
Mr. Kan Kwok Cheung
Mr. Chia Thien Loong, Eric John

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Non-executive Director

Ms. Liang Hui

*Head office and principal place of
business in Hong Kong:*

Rooms 2601–2605
26/F, China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Chan Hon Yuen
Mr. Chu Siu Lun, Ivan
Mr. Hau Chi Kit
Mr. Jin Hai Tao

28 June 2012

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ALLOT AND ISSUE NEW SHARES AND
REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate and the Repurchase Mandate to the Directors and (ii) the re-election of Directors.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the granting of the General Mandate and the Repurchase Mandate, the re-election of Directors and the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying Shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles of Association) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate amount of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,674,735,664 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 334,947,132 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 167,473,566 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General

LETTER FROM THE BOARD

Mandate) and the Repurchase Mandate up to (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, the Companies Law (Revised) of the Cayman Islands or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “Relevant Period”).

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

According to Article 84(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Article 84(2) of the Articles of Association further provides that a retiring Director shall be eligible for re-election and any Directors so to retire shall be subject to retirement by rotation who have been longest in office since their last re-election or appointment. According to Article 83(3) of the Articles of Association, any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first general meeting of the Shareholders (in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the Board), and shall then be eligible for re-election at the meeting.

In accordance with Article 83(3) of the Articles of Association, Mr. Wu Jin Cai, Dr. Lee Yuk Lun, Mr. Zou Chen Dong, Ms. Wu Xu Hong, Ms. Liang Hui and Mr. Jin Hai Tao shall retire from office at the AGM and being eligible, shall offer themselves for re-election at the AGM.

In accordance with Article 84(1) of the Articles of Association, Mr. Kan Kwok Cheung and Mr. Chia Thien Loong, Eric John and shall retire from office by rotation at the AGM and being eligible, offer themselves for re-election at the AGM.

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election and appointment is subject to shareholders’ approval at the relevant general meeting. The requisite details of the above eight retiring Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Room 3, United Conference Centre Limited, 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 7 September 2012 at 10:00 a.m. is set out on pages 19 to 23 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

RECOMMENDATION

The Directors consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
CNC Holdings Limited
Zou Chen Dong
CEO and Executive Director

Hong Kong, 28 June 2012

This Appendix I serves as an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorising the proposed Repurchase Mandate.

This explanatory statement contains all information pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. NUMBER OF SHARES WHICH MAY BE REPURCHASED

Exercise in full of the Repurchase Mandate, on the basis of 1,674,735,664 Shares in issue as at the Latest Practicable Date, would result in 167,473,566 Shares (representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution), being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

2. REASONS FOR PROPOSED REPURCHASE OF SHARES

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on GEM. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

The Repurchase Mandate will only be exercised when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole. The Directors have no present intention to repurchase any Shares.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of the Cayman Islands and the GEM Listing Rules. The laws of the Cayman Islands provide that the amount of capital paid in connection with a repurchase of Shares may only be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the laws of the Cayman Islands. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the laws of the Cayman Islands. The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2012) in the event that the Repurchase Mandate is exercised in full at any time during the Relevant Period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their respective associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders at the AGM.

6. DIRECTORS' UNDERTAKING

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

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of Shares, pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

As a result, a Shareholder, or a group of Shareholders acting in concert (within that term's meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, the following Shareholder(s) is/are interested in more than 10% of the Shares then in issue. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the total interests of such Shareholder(s) in the Shares would be increased to approximately the percentage set out in the last column as follows:

<u>Name of Shareholder(s)</u>	<u>Note</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding</u>	<u>Approximate percentage of shareholding if the Repurchase Mandate is exercised in full</u>
China Xinhua News Network Co., Limited	1	474,335,664(L)	28.32%	31.47%
中國新華新聞電視網有限公司	1	474,335,664(L)	28.32%	31.47%
Shunleetat (BVI) Limited	2	409,200,000(L)	24.43%	27.14%
Mr. Kan Kwok Cheung	2	409,200,000(L)	24.43%	27.14%

(L) denotes long position

Notes:

1. China Xinhua News Network Co., Limited is wholly and beneficially owned by 中國新華新聞電視網有限公司. Accordingly, 中國新華新聞電視網有限公司 is deemed to be interested in 474,335,664 Shares held by China Xinhua News Network Co., Limited.
2. Shunleetat (BVI) Limited is wholly and beneficially owned by Mr. Kan Kwok Cheung. Accordingly, Mr. Kan Kwok Cheung is deemed to be interested in 409,200,000 Shares held by Shunleetat (BVI) Limited.

On the basis that the issued share capital of the Company remains unchanged up to date of the AGM, in the event that the Repurchase Mandate is exercised in full, the attributable shareholding of 中國新華新聞電視網有限公司 would be increased to approximately 31.47% of the issued share capital of the Company. Such increase would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

However, as at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholder(s) or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate in full.

8. NO PURCHASES OF SHARES BY THE COMPANY

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

9. CONNECTED PERSON

No connected persons (as defined in the GEM Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
June	0.260	0.227
July	0.355	0.209
August	0.480	0.335
September	0.650	0.480
October	1.150	0.630
November	1.210	0.900
December	1.470	1.020
2012		
January	1.310	0.980
February	1.400	1.000
March	1.120	1.000
April	1.030	0.810
May	0.990	0.650
June (up to the Latest Practicable Date)	0.800	0.700

Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Mr. Wu Jin Cai (“Mr. Wu”)

Mr. Wu, aged 49, is the chairman of the Board and is responsible for the overall business planning and corporate strategy of the Group. Mr. Wu is a professional senior reporter (高級記者) of Xinhua News Agency. Mr. Wu joined Xinhua News Agency in July 1982 after graduating from University of Nanjing and has about 30 years of experience in the media industry. Being regarded as professional senior reporter, he has held the positions of reporter and editor in financial and economical businesses during his 30 years with Xinhua News Agency. Mr. Wu was awarded the “Government Special Grant (政府特殊津貼)” by the Council of the PRC for his contribution on journalism in 1992. He is the deputy editor in chief of Xinhua News Agency, the officer of Xinhua News Agency Audio and Video News Desk and a director of China Xinhua News Network Co., Limited. Mr. Wu has not held any positions with the Company or other members of the Group prior to his appointment as an executive Director.

The Company has entered into a service contract with Mr. Wu for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Mr. Wu is entitled to an annual salary of HK\$12,000 and he is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Mr. Wu in the Company and the prevailing market conditions.

Mr. Wu has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Wu has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company and has no interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as otherwise disclosed above, Mr. Wu has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(2) Dr. Lee Yuk Lun (“Dr. Lee”)

Dr. Lee, aged 49, is the vice-chairman of the Board and is responsible for business development of the Group. Dr. Lee has been engaged in the finance industry for over 16 years and, in particular, in the area of mergers and acquisitions. He also possesses over 12 years of experience in project investments in the PRC. Dr. Lee is a committee member of the Chinese People’s Political Consultative Conference (CPPCC) Beijing Committee (中國人民政治協商會議北京市委員會政協委員), a member of the Committee of Shunyi District, CPPCC Beijing Committee (中國人民政治協商會議北京市順義區委員會委員), a director of

Beijing Chinese Overseas Friendship Association (北京海外聯誼會理事), a director of Tung Wah Group of Hospitals (東華三院) from 2009, a part-time member of the Central Policy Unit of the Government of Hong Kong Special Administrative Region of the PRC, the founding chairman of Wanchai and Central & Western District Industries & Commerce Association and the founding chairman of Dr. Lee Yuk Lun Charitable Foundation. Dr. Lee joined Rising Development Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1004) as deputy chairman and executive director since 31 August 2007 and is currently the chairman and chief executive officer of Rising Development Holdings Limited.

As at the Latest Practicable Date, the Company has entered into a service contract with Dr. Lee for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Dr. Lee is entitled to an annual salary of HK\$12,000 and he is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Dr. Lee in the Company and the prevailing market conditions.

Saved as disclosed herein, Dr. Lee has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Dr. Lee has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Dr. Lee has deemed interests of 892,857,143 underlying Shares in respect of convertible notes issued by the Company to a company in which Dr. Lee has beneficial interests, representing approximately 53.31% of the issued share capital of the Company. Save as disclosed herein, Dr. Lee does not have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as otherwise disclosed above, Dr. Lee has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(3) Mr. Zou Chen Dong (“Mr. Zou”)

Mr. Zou, aged 43, is the chief executive officer of the Group and is responsible for overseeing the overall project management and the daily operation. Mr. Zou is a reporter superior (主任記者) of Xinhua News Agency. Mr. Zou graduated from the Department of Journalism of China People’s Liberation Army Nanjing School of Department Political Science (中國人民解放軍南京政治學院新聞系) in 1990 and joined Xinhua News Agency in 2001. He was a reporter of Tibet People’s Broadcast Television (西藏人民廣播電台) and Tibet Television (西藏電視台) in 1991, a reporter in China Central People’s Broadcast Television (中國中央人民廣播電台) in 1994, a reporter in a Tibet correspondent of New China Agency People’s Liberation Army in 2001 and the news director of Shanghai Securities News (上海證券報) in 2007. Mr. Zou is a director of China Xinhua News

Network Co., Limited. Mr. Zou has about 20 years of experience in the media industry. Mr. Zou has not held any positions with the Company or other members of the Group prior to his appointment as an executive Director.

As at the Latest Practicable Date, the Company has entered into a service contract with Mr. Zou for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Mr. Zou is entitled to an annual salary of HK\$12,000 and he is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Mr. Zou in the Company and the prevailing market conditions.

Mr. Zou has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Zou has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company and has no interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as otherwise disclosed above, Mr. Zou has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(4) Ms. Wu Xu Hong (“Ms. Wu”)

Ms. Wu, aged 43, is the chief financial officer of the Group. She is an editorial superior (主任編輯) of Xinhua News Agency. Ms. Wu obtained a double degree from the Department of Television Broadcasting Engineering and Journalism of the Communication University of China (中國傳媒大學) (formerly known as Beijing Broadcasting Institute (北京廣播學院)) in 1990 and 1995. Ms. Wu joined Xinhua News Agency in 1995. She was the officer in charge of the current affairs department, administration-in-charge officer and a committee member of the Xinhua News Agency Women’s Commission. She is the general manager of Xinhua News Agency Audio and Video News Desk. Ms. Wu is also a director of China Xinhua News Network Co., Limited. Ms. Wu has about 16 years of experience in the media industry. Ms. Wu has not held any positions with the Company or other members of the Group prior to her appointment as an executive Director.

As at the Latest Practicable Date, the Company has entered into a service contract with Ms. Wu for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Ms. Wu is entitled to an annual salary of HK\$12,000 and she is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Ms. Wu in the Company and the prevailing market conditions.

Ms. Wu has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Ms. Wu has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company and has no interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as otherwise disclosed above, Ms. Wu has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with her appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(5) Mr. Kan Kwok Cheung (“Mr. Kan”)

Mr. Kan, aged 47, is the founder of the Group. Mr. Kan formed TYW and TY Civil in 1996 and 2000 respectively and has been the director of both companies since their formation. Mr. Kan has over 21 years of experience in handling civil engineering projects of various types.

As at the Latest Practicable Date, the Company has entered into a service contract with Mr. Kan for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Mr. Kan is entitled to an annual salary of HK\$12,000 and he is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Mr. Kan in the Company and the prevailing market conditions. In addition, Mr. Kan has entered into an employment contract with TYW to act as the director of TYW for a continuous term commencing from 6 February 1996 until terminated by not less than thirty days’ notice in writing served by either party on the other or thirty days’ salary being payment in lieu of notice.

Mr. Kan has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Kan has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Kan has deemed interests of 409,200,000 Shares, representing approximately 24.43% of the issued share capital of the Company. Save as disclosed herein, Mr. Kan does not have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as otherwise disclosed above, Mr. Kan has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(6) Mr. Chia Thien Loong, Eric John (“Mr. Chia”)

Mr. Chia, aged 42, is the compliance officer of the Group and is responsible for the financial and compliance aspects of the Group. Mr. Chia has over 15 years of experience in corporate finance, management and investment and he joined the Group as director of TYW and TY Civil in May 2009. Mr. Chia graduated with a degree of Bachelor of Science in accounting and finance from Purdue University, Indiana, USA in 1994. In June 2012, Mr. Chia has resigned as director of TYW and TY Civil.

As at the Latest Practicable Date, the Company has entered into a service contract with Mr. Chia for an initial term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Mr. Chia is entitled to an annual salary of HK\$708,000 and he is eligible for a discretionary bonus which will be determined by the Board with reference to the duties and responsibilities of Mr. Chia in the Company and the prevailing market conditions.

Mr. Chia has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Chia has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Chia has deemed interests of 125,210,000 Shares, representing approximately 7.48% of the issued share capital of the Company. Save as disclosed herein, Mr. Chia does not have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as otherwise disclosed above, Mr. Chia has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(7) Ms. Liang Hui (“Ms. Liang”)

Ms. Liang, aged 44, is a senior qualified accountant in the PRC. In July 2006, she was appointed to take part in the national senior accountant leader training (Administration Affairs) (國家高級會計師領導培訓(行政事務)) held by the Ministry of Finance. She was the officer in charge of the accounting technology department (技術局經管處主管會計), department of financial technology (技術局財務部主任), department of statistics audit (技術局統計核算部主任) and Commissioner of Financial Assets Management (計財局資金管理

處處長) of Xinhua News Agency. Ms. Liang, joined Xinhua News Agency in 1992, is the Commissioner of Financial Assets Management (計財局資金管理處處長) of Xinhua News Agency and financial controller of China Xinhua News Network Co., Limited. Ms. Liang has about 20 years of experience in the accounting and finance sector of the media industry. Ms. Liang has not held any positions with the Company or other members of the Group prior to her appointment as a non-executive Director.

As at the Latest Practicable Date, there is no service contract between the Company and Ms. Liang. The appointment of Ms. Liang is for an term of three years and subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. Ms. Liang is entitled to an annual director's fee of HK\$12,000.

Ms. Liang has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Ms. Liang has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company and has no interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as otherwise disclosed above, Ms. Liang has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with her appointment as a non-executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

(8) Mr. Jin Hai Tao ("Mr. Jin")

Mr. Jin, aged 59, has over 30 years' experience in enterprise management, investment, financing and capital market operations. He joined Shenzhen Capital Group Co., Ltd (深圳市創新投資集團有限公司) in 2004 as chairman. Currently, he is a director of Rizhao Port Co., Ltd (日照港股份有限公司) (a company listed in the Shanghai Stock Exchange, stock code: 600017), Guangzhou Pearl River Industrial Development Holdings Co., Ltd (廣州珠江實業開發股份有限公司) (a company listed in the Shanghai Stock Exchange, stock code: 600684) and Shenzhen Terca Technology Co., Ltd (深圳市特爾佳科技股份有限公司) (a company listed in the Shenzhen Stock Exchange, stock code: 002213). Between 1993 and 2000, Mr. Jin was a deputy general manager of Shenzhen Electronic Group Co., Ltd (深圳賽格集團有限公司) and vice president and general manager of Shenzhen SEG Co., Ltd (深圳賽格股份有限公司) (a company listed in the Shenzhen Stock Exchange, stock code: 000058).

In addition, Mr. Jin is the vice chairman of Shenzhen Chamber of Investment (SZCI) (深圳市投資商會常務副會長), executive vice president of Shenzhen Finance Consultant Association* (深圳市金融顧問協會執行副會長) and honorary chairman of Wenzhou Association for Investment in Enterprises* (溫州市投資協會名譽會長). He is on the professional expert board of the Science, Technology & Economic Expert Committee of

the Ministry of Science and Technology (國家科技部科技經濟專家委員會專家). He has a Master degree in management from Huazhong University of Science and Technology* (華中理工大學工學(管理學)碩士).

As at the Latest Practicable Date, there is no service contract between the Company and Mr. Jin. The appointment of Mr. Jin is for a term of three years and is subject to rotation and re-election pursuant to the GEM Listing Rules and the Articles of Association of the Company. He is entitled to an annual director's fee of HK\$120,000.

Saved as disclosed herein, Mr. Jin has not held any directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Jin has no relationship with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company and has no interests or short position in Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as otherwise disclosed above, Mr. Jin has confirmed that there is no information which should be brought to the attention of the Shareholders in connection with his appointment as an independent non-executive Director and there is no other information that should be disclosed pursuant to any of the requirements in Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

* *For identification purposes only*



CNC HOLDINGS LIMITED
中國新華電視控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of CNC Holdings Limited (the “**Company**”) will be held at Room 3, United Conference Centre Limited, 10/F., United Centre, 95 Queensway on Friday, 7 September 2012 at 10:00 a.m., for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2012;
2.
 - (a) to re-elect Mr. Wu Jin Cai as executive Director;
 - (b) to re-elect Dr. Lee Yuk Lun as executive Director;
 - (c) to re-elect Mr. Zou Chen Dong as executive Director;
 - (d) to re-elect Ms. Wu Xu Hong as executive Director;
 - (e) to re-elect Mr. Kan Kwok Cheung as executive Director;
 - (f) to re-elect Mr. Chia Thien Loong, Eric John as executive Director;
 - (g) to re-elect Ms. Liang Hui as non-executive Director;
 - (h) to re-elect Mr. Jin Hai Tao as independent non-executive Director;
 - (i) to authorise the board of Directors to fix the Directors’ remuneration;
3. To appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

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4. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options 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 options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law (Revised) of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law (Revised) of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully
For and on behalf of the Board of
CNC Holdings Limited
Zou Chen Dong
CEO and Executive Director

Hong Kong, 28 June 2012

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Rooms 2601–2605
26/F, China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

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2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's branch share registrar in Hong Kong, 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 for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
3. In relation to the proposed resolution no. 2 above, Details of the retiring Directors standing for re-election are set out in Appendix II to this circular.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the granting to the Directors of a general mandate to authorise the allotment and issue of Shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new Shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.