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This circular, for which the directors of China Data Broadcasting Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Data Broadcasting Holdings Limited. 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.

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

If you have sold or transferred all your shares in China Data Broadcasting Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



**CHINA DATA
BROADCASTING**

China Data Broadcasting Holdings Limited **(中華數據廣播控股有限公司)***

(incorporated in Bermuda with limited liability)

(Stock Code: 8016)

- (1) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**
- (2) RE-ELECTION OF DIRECTORS**
- (3) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 4 May 2012, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 10 to 13 of this circular. The purpose of this circular is to provide shareholders with details of the matters to be dealt with at the Annual General Meeting.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the Annual General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

This circular will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.cdb-holdings.com.hk>.

26 March 2012

* for identification only

CHARACTERISTICS OF THE GEM

The GEM positioned as a market designed to accommodate companies to which a high 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 the 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.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 4 May 2012, Friday at 10:30 a.m. (Hong Kong time) in relation to the financial year of the Company ended on 31 December 2011
“Annual Report 2011”	the annual report of the Company for the financial year ended 31 December 2011
“Board”	the board of Directors
“Bye-laws”	means the bye-laws of the Company as amended from time to time
“Commission”	the Securities and Futures Commission
“Company”	China Data Broadcasting Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	New Issue Mandate and New Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 March 2012 being the latest practicable date for ascertaining certain information in this circular prior to the printing of this circular
“New Issue Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the polling of the resolution approving such mandate

DEFINITIONS

“New Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the polling of the resolution approving such mandate
“Share(s)”	share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM CHAIRMAN



**CHINA DATA
BROADCASTING**

China Data Broadcasting Holdings Limited

(中華數據廣播控股有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 8016)

Executive Directors:

David Ji Long Fen

Tang Yun

Yu Xiao

Wu Xiangtao

Xiang Chao Yang

Shi Ping

Rong Dong

Independent Non-executive Directors:

Jonathan Chan Ming Sun

Robert Ip Chun Chung

Sun Dong Feng

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business:*

Unit 3701

37 Floor

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

26 March 2012

To the Shareholders

Dear Sir or Madam,

(1) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

(2) RE-ELECTION OF DIRECTORS

(3) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General to be held at Hong Kong at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central on Friday, 4 May 2012 at 10:30 a.m. relating to, among other things, (i) the granting of the General Mandate and (ii) re-election of the Directors. The notice of the Annual General Meeting containing the proposed resolutions and other information is set out on pages 10 to 13 of this circular.

* *for identification only*

LETTER FROM CHAIRMAN

2. NEW ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed which, if passed, will give the Directors a general mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the share capital of the Company in issue on the date of passing of such resolution (or 66,800,000 Shares based on (i) the Company's issued share capital as at the Latest Practicable Date of 334,000,000 Shares and (ii) the assumption that no further Shares are issued prior to the Annual General Meeting). In addition, conditional upon the proposed resolution to authorise the New Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

3. NEW REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors the New Repurchase Mandate, details of which are set out in Resolution No. 5 in the notice of the Annual General Meeting. The Shares which may be repurchased pursuant to the New Repurchase Mandate are limited to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution approving the New Repurchase Mandate (or 33,400,000 Shares by reference to (i) the Company's issued share capital as at the Latest Practicable Date of 334,000,000 Shares and (ii) the assumption that no further Shares are issued prior to the Annual General Meeting).

The General Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the Bye-laws, or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The Company may not purchase Shares on the GEM if such purchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

With reference to the General Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto. In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the New Repurchase Mandate. The explanatory statement as required by the GEM Listing Rules in connection with the New Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM CHAIRMAN

4. RE-ELECTION OF THE DIRECTORS

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 or appointment is subject to shareholders' approval at that relevant general meeting (including, but not limited to, an annual general meeting).

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Wu Xiangtao, Mr. Xiang Chao Yang and Mr. Chan Ming Sun, Jonathan shall retire and be eligible to offer themselves for re-election as Directors at the Annual General Meeting.

As at the Latest Practicable Date, each of the following Directors did not have any interest in the Shares within the meaning of Part XV of the Securities & Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As the Latest Practicable Date, save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

No Director has any relationship with any other Directors, senior management personnel, substantial shareholders or controlling shareholders of the Company.

Brief biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out below.

Executive Directors

Mr. WU Xiangtao (“**Mr. Wu**”), aged 38, joined the Company as an executive Director and Deputy Managing Director in May 2008. Mr. Wu is responsible for the Group's trading business of consumer electronic products. He holds a Master Degree in Business Administration from Southwestern University of Finance and Economics and a Bachelor Degree in International Trade and Economics from Shandong University in the PRC and recently obtained a Master Degree in Business Administration from University of Glasgow, United Kingdom. He has more than 15 years of experience in consumer electronic industry.

There is no service contract between Mr. Wu and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr. Wu is currently entitled to an annual emolument of HK\$491,000 as determined by the Board with reference to his responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

LETTER FROM CHAIRMAN

Mr. XIANG Chao Yang (“Mr. Xiang”), aged 54, joined the Company as an executive Director in November 2006. Mr. Xiang is responsible for the PRC legal affairs of the Company. He obtained a Master Degree in Criminal Law of China from Sichuan University and a Bachelor Degree of Law from Southwest University of Political Science and Law in the PRC. He has more than 23 years of experience in law.

There is no service contract between Mr. Xiang and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr. Xiang is currently entitled to an annual emolument of HK\$27,000 as determined by the Board with reference to his responsibilities, abilities and performance, the Company’s operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Independent Non-executive Director

Mr. Jonathan CHAN Ming Sun (“Mr. Chan”), aged 40, joined the Company as an independent non-executive Director in February 2007. Mr. Chan was appointed Chairman of the Audit Committee and Remuneration Committee of the Company, the member of the Nomination Committee of the Company. He is an Associate Director of Go-To-Asia Investment Limited and an independent non-executive director of Capital VC Limited (formerly known as Sino Katalytics Investment Corporation)(stock code: 2324) and Shenyang Public Utility Holdings Company Limited (stock code: 747), both companies are listed on the Stock Exchange. He obtained his Bachelor Degree of Commerce in Accounting and Computer Information System from University of New South Wales, Australia. He is also a member of Hong Kong Institute of Certified Public Accountants and Certified Public Accountants, Australia. He has over 13 years of experience in investment and corporate finance.

There is no service contract between Mr. Chan and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr. Chan is currently entitled to an annual emolument of HK\$165,000 as determined by the Board with reference to his responsibilities, abilities and performance, the Company’s operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed herein, there is no other matter relating to the abovementioned Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the abovementioned Directors which is required to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

LETTER FROM CHAIRMAN

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the Annual General Meeting to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 4 May 2012, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 10 to 13 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to, inter alia, receive the audited consolidated financial statements of the Company for the year ended 31 December 2011, approve the re-appointment of auditors, granting of the General Mandate and the re-election of the retiring Directors.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the Annual General Meeting. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting in person if you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the Annual General Meeting shall be voted by poll.

6. VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of Shareholders at the Annual General Meeting must be taken by way of poll and the Company will announce the results of the poll in the manner as prescribed under Rule 17.47(5) of the GEM Listing Rules.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a Corporation, by its duly authorized representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all he/her/its votes or cast all the votes he/she/it uses in the same way.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis; and (iii) no Shareholder is required to abstain from voting on the resolutions to be proposed at the Annual General Meeting.

7. RECOMMENDATION

The Board is of the opinion that the proposed resolutions in relation to: (i) the General Mandate and (ii) re-election of Directors are in the best interests of the Company and the Shareholders as a whole and recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM CHAIRMAN

8. PROCEDURE TO DEMAND POLL

Pursuant to bye-law 66 of the Company's bye-laws, a resolution put to the vote at the Annual General Meeting will be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the Annual General Meeting; or
- (b) at least three Shareholders present in person or by representative(s) or by proxy/proxies and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the Annual General Meeting; or
- (d) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and holding Shares conferring a right to attend and vote at the Annual General Meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

The chairman of the Annual General Meeting will demand for a poll to comply with Rule 17.47(4) of the GEM Listing Rules.

9. COMPETING INTERESTS

Apex Digital Inc., a company incorporated in the United States is wholly-owned by Mr. David Ji Long Fen, an executive Director of the Company. Apex Digital Inc. is principally engaged in the wholesaling business of consumer home electronics items under the name of "Apex Digital" in the United States. Apex Digital Inc. has ceased business operations since August 2010.

Sichuan Changhong Electric Co. Limited, a substantial shareholder of the Company, is interested in 33.34% of the issued share capital of the Company as at the Latest Practicable Date. Sichuan Changhong Electric Co. Limited is one of the largest Chinese consumer electronics provider specializing in R&D, manufacturing and marketing of consumer electronic products.

Save as disclosed above, none of the Directors, the controlling Shareholder(s), or their respective associates, has any interest in any business, which competes, or may compete with the business of the Group, or has any other conflict of interest with the Group.

Yours faithfully,
Yu Xiao
Chairman

The following is an explanatory statement regard to be sent to the Shareholders under the GEM Listing Rules in connection with the New Repurchase Mandate..

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 334,000,000 Shares of HK\$0.025 each.

Subject to the passing of Ordinary Resolution No. (5) and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the New Repurchase Mandate to repurchase a maximum of 33,400,000 Shares equivalent to 10% of the issued share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the date on which the next annual general meeting of the Company is required to be held by law or the Bye-laws; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets or its earnings per share or both.

FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Company will not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts) in the event that the New Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the New Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM in each of the previous twelve months from March 2011 to March 2012 were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2011	1.79	1.62
April 2011	1.87	1.70
May 2011	1.80	1.62
June 2011	1.65	1.27
July 2011	1.66	1.63
August 2011	1.64	1.64
September 2011	1.95	1.64
October 2011	2.00	1.80
November 2011	1.92	1.70
December 2011	1.82	1.76
January 2012	1.83	1.72
February 2012	1.80	1.67
March 2012 (up to the Latest Practicable Date)	1.74	1.74

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the New Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and the Bye-laws and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their associates, have any present intention to sell any Shares to the Company under the New Repurchase Mandate if such is approved by the Shareholders.

No connected persons have notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the New Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE CONSEQUENCES

If the New Repurchase Mandate were exercised in full, the percentage shareholding of the substantial shareholders of the Company before and after such repurchase would be as follows:

Substantial Shareholders	No. of Shares	Before repurchase	After repurchase
Sichuan Changhong Electric Co. Limited and its subsidiary	111,368,000	33.34%	37.05%
Sichuan Investment Management Co. Limited	83,009,340	24.85%	27.61%

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code as a result of any such increase.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Sichuan Changhong Electric Co. Limited and its subsidiary and Sichuan Investment Management Co. Limited held 111,368,000 Shares and 83,009,340 Shares representing 33.34% and 24.85% of the issued share capital of the Company, respectively. Based on such shareholding and in the event that the New Repurchase Mandate is exercised in full, the shareholding of Sichuan Changhong Electric Co. Limited and its subsidiary would be increased to 37.05% of the issued share capital of the Company and such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. However, the Company and the Directors have no current intention to exercise the New Repurchase Mandate, to such extent as would give rise to this obligation.

Save as aforesaid in this circular, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase of Shares made under the New Repurchase Mandate.

SHARES PURCHASES BY THE COMPANY

The Company had not purchased any of its Shares (whether on GEM or otherwise) during the six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



**CHINA DATA
BROADCASTING**

China Data Broadcasting Holdings Limited **(中華數據廣播控股有限公司)***

(incorporated in Bermuda with limited liability)

(Stock Code: 8016)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Data Broadcasting Holdings Limited (the “**Company**”) will be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 4 May 2012, Friday at 10:30 a.m. (Hong Kong time) (or any adjournment thereof) for the purpose of considering and, if thought fit, inter alia, passing the following resolutions:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2011.
2. To re-elect the following directors pursuant to the Company’s Bye-laws and to authorise the board of directors to fix their remuneration.
 - (i) Mr. Wu Xiangtao;
 - (ii) Mr. Xiang Chao Yang; and
 - (iii) Mr. Chan Ming Sun, Jonathan.
3. To re-appoint the auditors of the Company and authorise the board of directors to fix their remuneration.
4. To consider as Special Business, and if thought fit, to pass with or without amendments, the following resolution as ordinary resolution:

“THAT:

- (A) subject to paragraph (C) below, pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued Shares (as defined below) in the capital of the Company and to make or grant offers, agreements or options which might require the exercise of such powers be and is hereby approved generally and unconditionally;

* for identification only

NOTICE OF ANNUAL GENERAL MEETING

- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements or 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 and issued, or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (a) a Rights Issue; or (b) the grant or exercise of any option under the share option scheme of the Company; or (c) any scrip dividend or similar arrangement 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 (d) any issue of Shares in the Company 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 of the Company, shall not exceed the aggregate of:
- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and
 - (ii) provided that ordinary resolution 6 is passed 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% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

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

- (D) for the purpose 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 Bye-laws of the Company, the Companies Act of the Bermuda or any other applicable law of Bermuda 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 of the Company by this resolution;

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors of the Company to holders of Shares on the register on a fixed record date in proportion to their holdings of such Shares, subject to such exclusions or other arrangements as the Directors of the Company 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 recognized regulatory body or any stock exchange outside Hong Kong; and

“**Shares**” means ordinary Share(s) of HK\$0.025 each in the share capital of the Company.”

5. As Special Business, to consider and, if thought fit, to pass the following resolution as ordinary resolution:

“**THAT:**

- (A) subject to paragraph (B) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to repurchase its Shares in the capital of the Company on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited, the Companies Act of Bermuda and all other applicable laws in this regard, be and is hereby approved generally and unconditionally;
- (B) the aggregate nominal amount of shares authorised to be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date this resolution and the said approval shall be limited accordingly; and
- (C) 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 either by the Bye-laws of Company, the Companies Act of Bermuda or any other applicable law of Bermuda to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 of the Company by this resolution.”

“**Shares**” means ordinary Share(s) of HK\$0.025 each in the share capital of the Company.”

6. As Special Business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of ordinary resolutions numbered 4 and 5 above, the aggregate nominal amount of the number of shares in the capital of the Company that shall have been repurchased by the Company after the date thereof pursuant to and in accordance with the said ordinary resolution 5 shall be added to the aggregate nominal amount of share capital that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to the general mandate to allot and issue shares granted to the Directors of the Company by the said ordinary resolution 4.”

On behalf of the Board

Yu Xiao

Chairman

Hong Kong, 26 March 2012

Notes:

- i. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- ii. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
- iii. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited to the Company’s Branch Registrars in Hong Kong, Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting (as the case may be).
- iv. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- v. In respect of ordinary resolution numbered 2, Mr. Wu Xiangtao, Mr. Xiang Chao Yang and Mr. Chan Ming Sun, Jonathan, shall retire and be eligible to offer themselves for re-election at the Annual General Meeting. Details of the above retiring Directors are set out in section 5 of this circular.
- vi. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- vii. Attendants should bear their own travelling, accommodation and other expenses.