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

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

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**GREAT CHINA HOLDINGS LIMITED****大中華集團有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY
AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Great China Holdings Limited to be held at Boardroom, The Dynasty Club, 7/F, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 14 May 2010 at 9:00 a.m. is set out on pages 25 to 29 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.greatchinaholdingsltd.com.hk).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but 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 shareholders from attending and voting in person at the meeting if they so wish.

13 April 2010

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RESPONSIBILITY STATEMENT

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

DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Boardroom, The Dynasty Club, 7/F, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 14 May 2010 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 25 to 29 of this circular, or any adjournment thereof;
“associates”	has the meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business;
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“court”	has the meaning as ascribed thereto in the Companies Ordinance;
“Current Articles of Association”	the articles of association of the Company currently in force;
“Director(s)”	the director(s) of the Company;
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company, its Subsidiaries or any Invested Entity;
“Grantee(s)”	Participant(s) who accepted the Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;

DEFINITIONS

“Group”	the Company and its Subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which the Group holds any equity interest;
“Issuance Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Latest Practicable Date”	7 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	the offer of the grant of an Option made in accordance with the Share Option Scheme;
“Offer Date”	the date on which the Board makes an Offer to any Participant;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the Share Option Scheme;
“Participant(s)”	any person belonging to any of the following classes of persons: <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of the Group or any Invested Entity;(e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

DEFINITIONS

“Repurchase Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of principal terms of which is set out in Appendix III to this circular;
“Share(s)”	ordinary share(s) of HK\$0.2 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the Share Option Scheme, subject to adjustment in accordance with the Share Option Scheme;
“Subsidiary(ies)”	company(ies) which is/are for the time being subsidiary(ies) (within the meaning of Section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the trading of securities; and
“%”	per cent.

LETTER FORM THE BOARD



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

Executive Directors:

Mr Rustom Ming Yu HO (*Chairman*)
Mr John Ming Tak HO (*Managing Director*)
Mr Patrick Kwok Wai POON
Mr Maung Tun MYINT

Registered Office and Head Office:

Unit D, 26/F
United Centre
No. 95 Queensway
Hong Kong

Non-executive Director:

Ms Daphne HO

Independent Non-executive Directors:

Mr Lawrence Kam Kee YU *BBS, MBE, JP*
Mr David Hon To YU
Mr Hsu Chou WU

13 April 2010

To the shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY
AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting relating to (i) the re-election of the retiring Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the granting of the Repurchase Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate; and (v) the adoption of the Share Option Scheme.

LETTER FORM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 104(A) of the Current Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest but not less than one-third) shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The retiring Directors shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to the foregoing provision, Mr Patrick Kwok Wai POON, Ms Daphne HO and Mr Lawrence Kam Kee YU shall retire by rotation at the Annual General Meeting. All of the above three retiring Directors, being eligible, will offer themselves for re-election at the said meeting. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) 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. The requisite details of the above three retiring Directors are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF THE ISSUANCE AND REPURCHASE MANDATES

At the annual general meeting of the Company held on 20 May 2009, general mandates were granted to the Directors to exercise the powers of the Company to issue new Shares and to repurchase Shares respectively. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the Annual General Meeting, will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares of an aggregate nominal amount not exceeding 20% of the total nominal amount of the issued share capital of the Company as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$10,467,396.4 (equivalent to 52,336,982 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the “**Issuance Mandate**”);
- (b) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the total nominal amount of the issued share capital of the Company as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$5,233,698.2 (equivalent to 26,168,491 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the “**Repurchase Mandate**”); and

LETTER FORM THE BOARD

- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issuance Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 8 and 9 of the notice of the Annual General Meeting as set out on pages 25 to 29 of this circular. With reference to the Issuance Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto.

In accordance with the requirements of the 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 Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

At the Annual General Meeting, an ordinary resolution will be proposed for the Company to approve the adoption of the Share Option Scheme pursuant to which the Participants may be granted Options to subscribe for Shares upon and subject to the terms and conditions of the rules of the Share Option Scheme.

As at the Latest Practicable Date, the Company does not have any share option scheme currently in force. The Directors consider that adopting the Share Option Scheme can provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

The terms of the Share Option Scheme provide that in granting Options under the Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have discretion in determining the Subscription Price in respect of any Option. The Directors are of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract and retain human resources that are valuable to the growth and development of the Group as a whole.

A summary of the terms of the Share Option Scheme, which is proposed to be approved and adopted by the Company at the Annual General Meeting, is set out in Appendix III to this circular. A copy of the rules of the Share Option Scheme is available for inspection at the Company's registered office at Unit D, 26/F, United Centre, No. 95 Queensway, Hong Kong during normal business hours from the date hereof up to and including the date of Annual General Meeting.

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The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

Assuming that the adoption of Share Option Scheme is approved at the Annual General Meeting and the issued share capital of the Company remains at 261,684,910 Shares as at the date of Annual General Meeting, the Company can grant Options to Participants to subscribe for up to 26,168,491 Shares, representing 10% of the issued share capital of the Company as at the date of Annual General Meeting.

The Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting approving the adoption of the Share Option Scheme and the allotment and issuance of the Shares, which may be allotted and issued upon the exercise of the Option(s); and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the Share Option Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

An application will be made to the Stock Exchange for approval of the listing of and permission to deal in, the Shares which may be issued and allotted pursuant to the Share Option Scheme.

The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, and the adoption of the Share Option Scheme is subject to the approval of the Shareholders at the Annual General Meeting by an ordinary resolution. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the said resolution.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 25 to 29 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of the retiring Directors, the granting of the Issuance Mandate and the Repurchase Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Repurchase Mandate and the adoption of the Share Option Scheme.

LETTER FORM THE BOARD

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.greatchinaholdingsltd.com.hk). Whether or not you are able to attend the Annual General Meeting, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority to the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, the proxy form shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Repurchase Mandate, the granting/extension of the Issuance Mandate and the adoption of the Share Option Scheme are in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting), Appendix II (Explanatory Statement on the Repurchase Mandate) and Appendix III (Summary of Principal Terms of the Share Option Scheme) to this circular.

Yours faithfully,
By order of the Board
John Ming Tak HO
Managing Director

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the Annual General Meeting according to the Current Articles of Association, are provided below.

(1) MR PATRICK KWOK WAI POON

Position and Experience

Mr Patrick Kwok Wai POON (“Mr POON”), aged 59, has been an executive Director since 20 April 2006. He is also a member of the Nomination Committee of the Company. Mr POON joined the Group in 1997 and has since then been working at a senior level of the Group’s management team. He is also a director of certain Subsidiaries. Mr POON has extensive experience in the commodity market and in the banking business. He has been overseeing the Group’s Shanghai office and monitoring the Group’s property business in the People’s Republic of China for over 12 years. Mr POON currently holds a practising licence in property management in the People’s Republic of China. In addition, Mr POON is currently in charge of tapioca trading of the Group.

Mr POON has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Currently there is no director’s service contract entered into between Mr POON and the Company and he has not been appointed for any fixed term. However, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association. The provisions of the Current Articles of Association in respect of Directors’ retirement by rotation and re-election have been set out in paragraph 2 of the Letter from the Board in this circular.

Relationships

Mr POON is a director of Fulcrest Limited, the controlling shareholder of the Company.

Save as disclosed above, Mr POON does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr POON was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Director's emoluments

Mr POON is entitled to receive a salary and other benefits and a discretionary performance bonus, which are determined by the Board. For the year ended 31 December 2009, Mr POON's annual salary and other benefits amounted to HK\$1,586,000 and the amount of discretionary bonus paid to him was HK\$217,000.

The above emoluments of Mr POON have been determined with reference to his role and duties, experience, time commitment and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's Remuneration Committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr POON to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr POON that need to be brought to the attention of the Shareholders.

(2) MS DAPHNE HO**Position and Experience**

Ms Daphne HO ("Ms HO"), aged 38, was appointed as a non-executive Director on 1 April 2008. She holds a Bachelor of Science degree in Marketing and Advertising from Boston College and a Master of Business Administration degree in Managing Technology and Innovation from Santa Clara University. With extensive experience in strategic marketing and business strategy formulation, she currently assists a number of start-ups and small businesses as a private consultant. In the past, Ms HO has served as key business development roles at several publicly listed companies and was an International Marketing Manager of Kwong Fong Industries Corporation, a controlling Shareholder.

Ms HO has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the service contract entered into between Ms HO and the Company, Ms HO's current term of office is 3 years from 1 April 2008. She is also subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association. The provisions of the Current Articles of Association in respect of such directors' retirement by rotation and re-election have been set out in paragraph 2 of the Letter from the Board in this circular.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Relationships

Ms HO is a daughter of Mr Rustom Ming Yu HO (the Chairman of the Board and controlling Shareholder) and a niece of Mr John Ming Tak HO (the Managing Director and controlling Shareholder). Save as disclosed above, Ms HO does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Ms HO was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract entered into between Ms HO and the Company, Ms HO is entitled to receive an annual director's fee of HK\$60,000. Ms HO is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors. The above emolument of Ms HO is determined by the Board with reference to her role and duties and is subject to revision in future by the decision of the Board based on the recommendation of the Remuneration Committee of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Ms HO to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Ms HO that need to be brought to the attention of the Shareholders.

(3) MR LAWRENCE KAM KEE YU**Position and Experience**

Mr Lawrence Kam Kee YU (“Mr YU”) *BBS, MBE, JP*, aged 64, has been an independent non-executive director of the Company since November 1994. He is also the chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. Mr YU is currently an independent non-executive director of both Global Flex Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 471) and Evergrande Real Estate Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3333) and a senior advisor of China Renji Medical Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 648). Mr YU underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of senior management experience. Mr YU is the honorary life president of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organisations, and is currently the co-chairman of the Campaign Committee of The Community Chest of Hong Kong, a director of the Hong Kong Football Association Limited, a governor of Hong Kong Automobile Association and the chairman of the Road Safety Campaign Committee of the Road Safety Council.

Formerly, Mr YU was the chairman and an executive director of China Renji Medical Group Limited, Wing On Travel (Holdings) Limited and See Corporation Limited (companies listed on the Main Board of the Stock Exchange, stock codes: 648, 1189 and 491 respectively) and resigned on 18 April 2007, 1 December 2007 and 1 October 2009 respectively. He was also the chairman and a non-executive director of Trasy Gold Ex Limited (a company listed on the GEM Board of the Stock Exchange, stock code: 8063) and resigned on 1 October 2009. On 2 October 2009, Mr YU was appointed as an independent non-executive director of The Hong Kong Building and Loan Agency Limited (a company listed on the Main Board of the Stock Exchange, stock code: 145) and he subsequently resigned on 2 December 2009. Save as disclosed above, Mr YU has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Currently there is no director’s service contract entered into between Mr YU and the Company and he has not been appointed for any fixed term. However, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association. The provisions of the Current Articles of Association in respect of Directors’ retirement by rotation and re-election have been set out in paragraph 2 of the Letter from the Board in this circular.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Relationships

As far as the Directors are aware, Mr YU does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr YU was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Mr YU is entitled to receive an annual director's fee of HK\$240,000. Mr YU is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors. The above emolument of Mr YU is determined by the Board with reference to his role and duties and the prevailing market rates for similar duties and is subject to revision in future by the decision of the Board based on the recommendation of the Remuneration Committee of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr YU to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr YU that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 261,684,910 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting, i.e. being 261,684,910 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, an aggregate nominal amount of Shares not exceeding HK\$5,233,698.2 (equivalent to 26,168,491 Shares), representing 10% of the aggregate nominal amount of Shares in issue as at the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the Companies Ordinance and/or any other applicable laws, as the case may be.

The Company is empowered by its Memorandum and Articles of Association to repurchase Shares. The Companies Ordinance provides that repurchase of shares may only be effected out of a company's distributable profits or out of the proceeds of a fresh issue of shares made for the purpose. Any amount of premium payable on the repurchase of shares shall be paid out of the company's distributable profits. If the shares to be repurchased were issued at a premium, any premium payable on the repurchase may be paid out of the proceeds of a fresh issue of shares made for the purpose, up to an amount equal to (i) the aggregate of the premiums received by the company on the issue of the shares repurchased; or (ii) the current amount of the company's share premium account (including any sum transferred to that account in respect of premiums on the new shares), whichever is the less. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

4. IMPACT OF REPURCHASES

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 accounts contained in the annual report of the Company for the year ended 31 December 2009) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the 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 befitting the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase 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. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the Company's controlling Shareholders were collectively interested in 147,737,288 Shares, representing approximately 56.46% of the total issued share capital of the Company. Out of these Shares, 138,347,288 Shares (being approximately 52.87% of the total issued share capital of the Company) were held by Fulcrest Limited, 710,000 Shares (being approximately 0.27% of the total issued share capital of the Company) were held by Kwong Fong Holdings Limited and 8,680,000 Shares (being approximately 3.32% of the total issued share capital of the Company) were held by Kwong Fong Industries Corporation. The share capital of Fulcrest Limited was owned as to 51% by Asian Pacific Investment Corporation (a company controlled by Mr Rustom Ming Yu HO and Mr John Ming Tak HO, executive Directors) and as to 49% by Kwong Fong Holdings Limited (a wholly owned subsidiary of Kwong Fong Industries Corporation, a company listed on the Taiwan Stock Exchange). On the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of the foregoing controlling Shareholders in the issued Shares would be increased to approximately 62.73% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase of shares on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the company's issued share capital would be in public hands. The Directors do not propose to repurchase Shares, which would result in less than the prescribed minimum percentage of Shares in public hands.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.560	0.455
May	0.580	0.450
June	0.680	0.540
July	0.640	0.520
August	0.710	0.520
September	0.980	0.580
October	0.850	0.700
November	0.930	0.810
December	0.970	0.850
2010		
January	1.270	0.860
February	1.160	0.910
March	1.730	1.110
April (up to Latest Practicable Date)	1.430	1.320

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous 6 months (whether on the Stock Exchange or otherwise).

The following is a summary of principal terms of the Share Option Scheme to be approved at the Annual General Meeting. It does not form part of, nor is it intended to be part of, the rules of the Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the Share Option Scheme required to be included in the Share Option Scheme in accordance with the Listing Rules.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

2. PARTICIPANTS

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (3.1) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.
- (3.2) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of the passing of the ordinary resolution to adopt the Share Option Scheme (the “**General Scheme Limit**”).
- (3.3) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.4) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”, Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of Share Option Scheme and any other share option schemes of the Company) will not be counted.
- (3.4) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (3.3) above to Participants specifically identified by the Company before such approval is sought.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “**Individual Limit**”). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his associates abstaining from voting. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (5.1) Any grant of Options under the Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).
- (5.2) Where any grant of Options to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) representing in aggregate over 0.1% of the Shares in issue; and
 - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders in a general meeting. All connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the relevant circular.

For the purpose of seeking Shareholders' approval in general meeting under subparagraphs (3.3) and (3.4), paragraph 4 and sub-paragraph (5.2) above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 28 days from the Offer Date. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the "**Option Period**").

Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Option granted under the Share Option Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be lower than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

9. LIFE OF THE SHARE OPTION SCHEME

Subject to paragraph 16, the Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is conditionally adopted by the Company at a general meeting of the Shareholders.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

11. TRANSFERABILITY OF OPTIONS

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS**(12.1) Rights on ceasing employment**

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or termination of employment on one or more of the grounds referred to in sub-paragraph (12.3) below before exercising his or her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(12.2) Rights on death

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.3) Rights on dismissal

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee.

(12.4) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(12.5) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(12.6) Rights on winding-up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation pari passu with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(12.7) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling 2 calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to

transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue of profits or reserves, rights issue, consolidation, subdivision or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraphs 3 and 4,

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Board. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

17. ALTERATION OF THE SHARE OPTION SCHEME

(17.1) The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) the terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees of the Options except with the prior approval of the Shareholders in general meeting;
- (b) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme; and
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

(17.2) The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

NOTICE OF THE ANNUAL GENERAL MEETING



GREAT CHINA HOLDINGS LIMITED

大中華集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 141)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Great China Holdings Limited (the “Company”) will be held at Boardroom, The Dynasty Club, 7/F, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 14 May 2010 at 9:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To consider and receive the audited consolidated financial statements of the Company and the reports of the directors and of the auditor for the year ended 31 December 2009;
2. To declare a final dividend of HK\$0.01 per share for the year ended 31 December 2009;
3. To re-elect Mr Patrick Kwok Wai POON as an executive director of the Company;
4. To re-elect Ms Daphne HO as a non-executive director of the Company;
5. To re-elect Mr Lawrence Kam Kee YU as an independent non-executive director of the Company;
6. To authorize the board of directors to fix the respective directors’ remuneration;
7. To re-appoint Deloitte Touche Tohmatsu as auditor and to authorize the board of directors to fix the auditor’s remuneration;

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Hong Kong Companies Ordinance, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized

NOTICE OF THE ANNUAL GENERAL MEETING

and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved, notwithstanding that the allotment/granting is not made on a pro rata basis to the then existing shareholders of the Company;

- (b) the approval in paragraph (a) above shall authorize the directors to make or grant offers, agreements and options during the Relevant Period which would or 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 by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any other eligible persons of share or rights to acquire share of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) 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 Ordinance or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions 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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”;

NOTICE OF THE ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
 - (c) 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
 - (iii) 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 Ordinance or any applicable laws to be held.”;
10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of resolutions set out in items 8 and 9 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 8 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% 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

NOTICE OF THE ANNUAL GENERAL MEETING

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof) (the “Share Option Scheme”, the principal terms of which are set out in the Appendix III to the Company’s circular dated 13 April 2010), the Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including but without limitation:

- (a) to administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for shares of the Company;
- (b) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment;
- (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme provided always that the total number of shares subject to the Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”.

By order of the Board
John Ming Tak HO
Managing Director

Hong Kong, 13 April 2010

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. 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.
2. To be effective, 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, must be delivered to the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Wednesday, 12 May 2010 to Friday, 14 May 2010, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the year ended 31 December 2009 and for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Share Registrar of the Company, Tricor Abacus Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 11 May 2010.
4. In relation to the ordinary resolutions set out in items 8, 9 and 10 of the above notice, the directors wish to state that they have no immediate plan to repurchase any existing shares or issue any new shares of the Company.