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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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 A8 Digital Music 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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A8 DIGITAL MUSIC HOLDINGS LIMITED

A8 電媒音樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 800)

**PROPOSED GRANT OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “**Annual General Meeting**”) of A8 Digital Music Holdings Limited (the “**Company**”) to be held at Room 812, 8/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 20 May 2011 at 10:30 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the respective websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.a8.com>).

If you are not 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 in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 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.

15 April 2011

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DEFINITIONS

9In 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 Room 812, 8/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 20 May 2011 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the Annual General Meeting which is set out on pages 13 to 16 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“associated corporation”	shall have the meanings ascribed to it in Part XV of the SFO;
“Board”	the board of Directors;
“Company”	A8 Digital Music Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“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 PRC;
“Issue Mandate”	as defined in paragraph 2(b) of the Letter from the Board of this circular;
“Latest Practicable Date”	8 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Date”	12 June 2008, the date on which trading in the Shares of the Company commenced on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan;

DEFINITIONS

“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board of this circular;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share 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 the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong; and
“%”	percent.

LETTER FROM THE BOARD



A8 DIGITAL MUSIC HOLDINGS LIMITED

A8 電媒音樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 800)

Executive Director:

Liu Xiaosong

(Chairman & Chief Executive Officer)

Non-executive Directors:

Li Wei

Ho Yip, Betty

Independent Non-executive Directors:

Chan Yiu Kwong

Hui, Harry Chi

Zeng Liqing

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Head Office:

5/F, Fucheng Hi-tech Building

South-1 Avenue

Southern District of Hi-tech Park

Nanshan District, Shenzhen 518057

The People's Republic of China

Principal Place of Business

in Hong Kong:

35th floor, Bank of China Tower,

1 Garden Road, Central, Hong Kong

15 April 2011

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the grant of the Repurchase Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors

LETTER FROM THE BOARD

and the extension of the Issue Mandate by adding to it the aggregate nominal amount of Shares repurchased by the Company under the Repurchase Mandate; and (iii) the re-election of the retiring Directors.

2. PROPOSED GRANT OF THE REPURCHASE AND ISSUE MANDATES

The general mandates previously granted to the Directors to repurchase and issue Shares by the Shareholders at the annual general meeting of the Company held on 20 May 2010 will expire at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve the grant of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing such resolution (i.e. an aggregate nominal amount of Shares up to HK\$ 473,039.6 (equivalent to 47,303,961 Shares) assuming that the total number of Shares in issue remains the same at 473,039,616 Shares from the Latest Practicable Date up to the date of passing such resolution (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolution (i.e. an aggregate nominal amount of Shares up to HK\$946,079.2 (equivalent to 94,607,923 Shares) assuming that the total number of Shares in issue remains the same at 473,039,616 Shares from the Latest Practicable Date up to the date of passing such resolution (the “**Issue Mandate**”); and
- (c) to extend the Issue 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 Repurchase Mandate and the Issue 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 4 and 5 of the notice of the Annual General Meeting as set out on pages 13 to 16 of this circular. With reference to the Repurchase Mandate and the Issue 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 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 grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 86(3) of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy of the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his /her appointment and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company after his/her appointment, and shall then be eligible for re-election at that meeting.

As no Director has been appointed since last annual general meeting, none of the Directors shall retire at the Annual General Meeting according to Article 86(3) of the Articles of Association.

In addition, pursuant to Article 87(1) of the Articles of Association, at each annual general meeting, one third of the Directors shall also retire from office by rotation and be eligible for re-election. Article 87(2) of the Articles of Association also states that any Director appointed by the Board pursuant to Article 86(3) of the Articles of Association shall not be taken into account in determining which particular Director or the number of Directors who are to retire by rotation.

As such, as at the Latest Practicable Date, there are six Directors on the Board and Mr. Liu Xiaosong and Mr. Zeng Liqing were re-elected at the last annual general meeting. Accordingly, two other Directors shall retire at the Annual General Meeting. Mr. Chan Yiu Kwong and Mr. Hui, Harry Chi, are willing to retire at the Annual General Meeting. Both of the retiring Directors, being eligible, will offer themselves for re-election at the Annual General 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(s) 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 retiring Directors are set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 16 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the grant of the Repurchase Mandate and the Issue Mandate, the extension of the Issue Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

LETTER FROM THE BOARD

Pursuant to the amendments to the Listing Rules, which came into force on 1 January 2009, 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 respective websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.a8.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Share Registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, 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.

5. RECOMMENDATION

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

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of the Retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
By Order of the Board
Liu Xiaosong
Chairman of the Board

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 grant of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

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

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the grant 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 473,039,616 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the grant of the Repurchase Mandate and assuming that the total number of Shares in issue remains the same at 473,039,616 Shares from the Latest Practicable Date up to the date of passing such resolution, 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 the Shares up to HK\$473,039.6 (equivalent to 47,303,961 Shares), representing 10% of the aggregate nominal amount of the 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 of Association and the Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

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 2010) 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 appropriate for the Company.

5. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, 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 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Liu and his associates (as defined in the Listing Rules) together held 183,087,954 Shares, representing approximately 38.70% of the issued share capital of the Company. Accordingly, Mr. Liu may be required to make a mandatory offer under Rule 26 of the Takeovers Code if, as a result of the exercise of the Repurchase Mandate by the Directors, the aggregate shareholding of Mr. Liu and his associates in the Company is increased by more than 2% in any 12 month period.

In the event that the Directors exercise the Repurchase Mandate in full to repurchase Shares, the aggregate shareholding of Mr. Liu and his associates in the Company would increase from approximately 38.70% to approximately 43.00% and therefore Mr. Liu would be required to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such extent.

6. GENERAL

None of the Directors or, to the best of their knowledge after having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) 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 grant 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 applicable laws of the Cayman Islands.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange in the last 12 months were as follows:

Month	Highest HK\$	Lowest HK\$
2010		
April	6.40	3.92
May	5.88	4.00
June	5.10	4.23
July	4.85	4.02
August	4.78	3.09
September	3.47	3.05
October	3.55	3.10
November	3.44	2.78
December	2.90	2.60
2011		
January	3.23	2.50
February	3.03	2.50
March	2.70	2.16
April (up to the Latest Practicable Date)	2.37	2.20

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

APPENDIX II 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 at the Annual General Meeting according to the Articles of Association and will be proposed to be re-elected at the same meeting are provided below.

(1) **Mr. Chan Yiu Kwong**

Position and Experience

Mr. Chan Yiu Kwong, aged 46, is an independent non-executive Director. Mr. Chan graduated from the University of Hong Kong with a Bachelor's degree in Social Sciences in 1988. He was admitted as a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants in 1999 and 2005 respectively. From June 2004 to July 2006, Mr. Chan served as an independent non-executive director of Beijing Enterprises Water Group Limited (formerly known as "Shang Hua Holding Limited"), a company listed on the Main Board of the Stock Exchange (Stock Code: 00371.HK). From March 2001 to December 2007, Mr. Chan served as an executive director of Hi Sun Technology (China) Limited ("Hi Sun"), a company listed on the main board of the Stock Exchange (Stock Code: 00818.HK). Between 2005 and 2010, Mr. Chan served as an independent non-executive director of Biosino Bio-Technology and Science Incorporation, a company listed on the Growth Enterprises Market of the Stock Exchange (Stock Code: 08247.HK). Mr. Chan currently serves as joint company secretary of Hi Sun and Company Secretary of Pax Global Technology Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 00327.HK). He has years of diversified experience in auditing, business advisory and corporate management. He was appointed as an independent non-executive Director on 9 November 2007.

Save as disclosed above, Mr. Chan has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the appointment letter issued by the Company to Mr. Chan, the term of office of Mr. Chan has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr. Chan giving to the other not less than 3 months' prior written notice. Mr. Chan's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chan 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 II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Relationships

As far as the Directors are aware, Mr. Chan 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.

Emoluments

Mr. Chan is entitled to receive a director's fee of HK\$150,000 per annum, which is determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions. Mr. Chan is also entitled to participate in the share option scheme of the Company.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

(2) **Mr. Hui, Harry Chi**

Position and experience

Mr. Hui, Harry Chi, aged 47, is an independent non-executive Director. Mr. Hui obtained a Master of Business Administration degree in 1992 from the University of Southern California. Mr. Hui has years of diversified experience in the media and music industry. He was the Managing Director of Warner/Chappell Music Publishing, Inc., Hong Kong. From 1998 to 2000, Mr. Hui had been the Senior Vice President and General manager of MTV Asia LDC. From 2002 to 2005, Mr. Hui was the President of the South East Asia division of Universal Music Limited. From January 2007 to June 2010, Mr. Hui has been the Chief Marketing Officer for China Beverages Business Unit of Pepsico International. He was appointed as an independent non-executive Director on 9 November 2007.

Mr. Hui has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the appointment letter issued by the Company to Mr. Hui, the term of office of Mr. Hui has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr. Hui giving to the other not less than

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

3 months' prior written notice. Mr. Hui's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Hui 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.

Relationships

As far as the Directors are aware, Mr. Hui 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.

Emoluments

Mr. Hui is entitled to receive a director's fee of HK\$50,000 per annum, which is determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions. Mr. Hui is also entitled to participate in the share option scheme of the Company.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr. Hui involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Hui that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



A8 DIGITAL MUSIC HOLDINGS LIMITED

A8 電媒音樂控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 800)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of A8 Digital Music Holdings Limited (the “**Company**”) will be held at Room 812, 8/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 20 May 2011 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2010;
2. To re-elect the retiring directors (the “**Directors**”) of the Company and to authorize the board (the “**Board**”) of Directors to fix the respective Directors’ remuneration;
3. To re-appoint Ernst & Young as auditors of the Company and to authorize the Board to fix its remuneration;
4. To consider as special business 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 (or agree to purchase) its shares of HK\$0.01 each (“**Share**”) in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the total nominal amount of Shares to be purchased or agreed to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 percent of the total nominal amount of the share capital of the Company in issue on 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 meeting; 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 or any applicable laws to be held.”;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorized and unissued Shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors to make or grant offers, agreements or options, including warrants to subscribe for Shares, 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 and issued or agreed conditionally or unconditionally to be allotted and issued 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 any options granted under a share option scheme of the Company;

NOTICE OF THE ANNUAL GENERAL MEETING

(iii) any scrip dividend scheme 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 articles of association of the Company; or

(iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed 20 percent of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; 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 or any applicable laws to be held;

“Rights Issue” means an offer of Shares, or offer on issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (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, 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).”;

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

“THAT conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the **“Notice”**), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of Shares which may be allotted and

NOTICE OF THE ANNUAL GENERAL MEETING

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 shares purchased or agreed to be purchased by the Company pursuant to the mandate referred to in the resolution set out in item 4 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 on the date of the passing of this resolution.”

By order of the Board
Liu Xiaosong
Chairman of the Board

Hong Kong, 15 April 2011

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. 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 to attend and vote on his 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. In the case of joint holders of a share, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
3. 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 certified copy of that power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. 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 instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 18 May 2011 to Friday, 20 May 2011, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the above meeting, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 17 May 2011.
5. In relation to the ordinary resolutions set out in items 4, 5 and 6 of the above notice, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any existing Shares of the Company.
6. All the resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

As at the date of this notice, the board of Directors comprises:

- (1) *Executive Director namely Mr. Liu Xiaosong;*
- (2) *Non-executive Directors namely Mr. Li Wei and, Ms. Ho Yip, Betty; and*
- (3) *Independent non-executive Directors namely Mr. Chan Yiu Kwong, Mr. Zeng Liqing and Mr. Hui, Harry Chi.*