
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shougang Concord Century 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, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**SHOUGANG CONCORD CENTURY HOLDINGS LIMITED****首長寶佳集團有限公司***(Incorporated in Hong Kong with limited liability)*

(Stock Code: 103)

**PROPOSALS FOR GRANTING OF GENERAL MANDATES
FOR THE ISSUANCE AND REPURCHASE OF SHARES,
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
ADOPTION OF THE NEW SHARE OPTION SCHEME,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the board of directors of the Company (as defined herein) is set out on pages 3 to 8 of this circular.

A notice of the Annual General Meeting of the Company to be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Friday, 25 May 2012 at 10:20 a.m. is set out on pages 23 to 26 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjourned meeting should you so wish.

11 April 2012

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – EXPLANATORY STATEMENT	9
APPENDIX II – DETAILS OF DIRECTORS	12
APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME	16
NOTICE OF ANNUAL GENERAL MEETING	23

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Friday, 25 May 2012 at 10:20 a.m., the notice of which is set out on pages 23 to 26 of this circular, or where the context so admits, any adjournment of such annual general meeting
“Articles”	the articles of association of the Company as from time to time altered in accordance with the Companies Ordinance
“Board”	the board of Directors for the time being or a duly authorised committee thereof
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Shougang Concord Century Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Scheme”	the existing share option scheme adopted on 7 June 2002
“Group”	the Company and/or its Subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	2 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Scheme”	the new share option scheme proposed to be adopted in the Annual General Meeting, the principal terms of which are set out in Appendix III

DEFINITIONS

“Option(s)”	an option to subscribe for Shares granted pursuant to the New Scheme
“Option Agreement”	the offer and acceptance letter between the Company and the Option Holder being the terms and conditions of an individual option
“Option Holder(s)”	any Qualifying Grantee who accepts an offer of the grant of an Option in accordance with the New Scheme
“Qualifying Grantee(s)”	any Director (including executive, non-executive and independent non-executive), executive, officer, employee, Shareholder of the Company or any of the Subsidiaries or any of the associated companies or any of the jointly controlled entities and any supplier, customer, consultant, adviser, agent, partner or business associate, who will contribute or have contributed to the development and growth of the Group and “Qualifying Grantees” shall be construed accordingly
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

References to times and dates in this circular are to Hong Kong times and dates.

LETTER FROM THE BOARD



SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

Directors:

Li Shaofeng (*Chairman*)

Yang Kaiyu (*Managing Director*)

Leung Shun Sang, Tony[#]

Tang Cornor Kwok Kau (*Deputy Managing Director*)

Dong Haochun (*Deputy Managing Director*)

Zhang Zhong (*Executive Director*)

Yip Kin Man, Raymond^{*}

Law, Yui Lun^{*}

Chan Chung Chun^{*}

Registered office:

5th Floor

Bank of East Asia Harbour View Centre

51-57 Gloucester Road

Wanchai

Hong Kong

[#] *Non-executive Director*

^{*} *Independent Non-executive Director*

11 April 2012

To Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GRANTING OF GENERAL MANDATES
FOR THE ISSUANCE AND REPURCHASE OF SHARES,
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
ADOPTION OF THE NEW SHARE OPTION SCHEME,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding the proposed granting of general mandates for the issuance and repurchase of Shares and extension of general mandate to issue Shares, re-election of retiring Directors and adoption of the New Scheme and termination of the Existing Scheme. Such proposals will be dealt at the Annual General Meeting.

LETTER FROM THE BOARD

2. GENERAL MANDATES FOR THE ISSUANCE AND REPURCHASE OF SHARES AND EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

At the 2011 annual general meeting held on 19 May 2011, general mandates were granted by the Company to the Board to exercise the powers of the Company to issue new Shares and repurchase Shares and extension of general mandate to issue Shares. These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting. The Directors propose to seek your approval to renew the general mandates.

(A) GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed as resolution 4 at the Annual General Meeting to grant a general mandate to the Directors to issue new Shares of up to a maximum of 20% of the issued share capital of the Company at the date of passing the said resolution at the Annual General Meeting. The general mandate to issue Shares, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of resolution 4 by any ordinary resolution of the Shareholders of the Company in general meeting. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,922,900,556 fully paid-up Shares. If there is no allotment or repurchase of the Shares between the Latest Practicable Date and the date of the Annual General Meeting, the fresh general mandate to allot, issue and deal with additional Shares shall not exceed 384,580,111 Shares.

(B) GENERAL MANDATE TO REPURCHASE SHARES

Another ordinary resolution will be proposed as resolution 5A at the Annual General Meeting to grant a general mandate to the Directors to repurchase Shares (the "Repurchase Mandate") on the Stock Exchange of up to a maximum of 10% of the issued share capital of the Company at the date of passing the said resolution at the Annual General Meeting. The Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of resolution 5A by any ordinary resolution of the Shareholders of the Company in general meeting. An explanatory statement as required under Rule 10.06(1)(b) of the Listing Rules is set out in Appendix I to this circular. The purpose of the explanatory statement is to provide you with all the information reasonably necessary for you to make an informed decision as to whether or not to vote in favour of the resolution approving the Repurchase Mandate and it also forms the memorandum of the terms of the proposed repurchases required under section 49BA(3)(b) of the Companies Ordinance.

LETTER FROM THE BOARD

(C) EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

A separate ordinary resolution, as required by the Listing Rules, to add the aggregate amount of the Shares which may be repurchased pursuant to the authority granted by the aforesaid resolution 5A to the general mandate to the Directors to allot new Shares of up to 20% of the issued share capital of the Company will be proposed as resolution 5B at the Annual General Meeting.

3. RE-ELECTION OF RETIRING DIRECTORS

At the Annual General Meeting, resolution 2 will be proposed to re-elect the retiring Directors, Messrs. Tang Cornor Kwok Kau (Deputy Managing Director and Executive Director), Leung Shun Sang, Tony (Non-executive Director) and Yip Kin Man, Raymond (Independent Non-executive Director) will retire from office by rotation, and Mr. Dong Haochun (Deputy Managing Director and Executive Director) will retire from office and, being eligible for re-election pursuant to the Articles, offer themselves for re-election. Details of the above Directors who are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

The Company has received from Mr. Yip Kin Man, Raymond a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Although he has served the Board for more than nine years, he has not engaged in any executive management of the Group. His familiarity with the Company's business may place him in a better position to contribute independent views to the Company. Taking into consideration of his independent scope of works in the past years, there is no evidence that length of tenure is having an adverse impact of his independence. The Board therefore considers that Mr. Yip remains independent for re-election.

Under the resolution 2, the re-election of the above Directors will be individually voted on by Shareholders.

4. ADOPTION OF THE NEW SCHEME AND TERMINATION OF THE EXISTING SCHEME

The Existing Scheme was adopted on 7 June 2002, and has a term of 10 years from the adoption date. As the Existing Scheme will expire on 6 June 2012, the Board has resolved to terminate the Existing Scheme prior to its expiry subject to the adoption of the New Scheme by the Shareholders at the Annual General Meeting and upon satisfaction of all conditions precedent as set out below.

Conditions of the New Scheme

The New Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve and adopt this New Scheme and terminate the Existing Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares falling to be issued and allotted upon the exercise of the Options granted hereunder.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for the approval referred to in (b) above.

Upon satisfaction of the conditions above, the Existing Scheme will be terminated to the extent that no further options will be offered or granted under the Existing Scheme. However, all the existing options previously granted but unexercised under the Existing Scheme will remain valid and exercisable in accordance with their terms of issue after the termination of the Existing Scheme.

The purpose of the New Scheme is:

- to attract and retain the best quality personnel for the development of the Company's businesses;
- to provide additional incentives or rewards to employees, Shareholders, consultants, agents, representatives, advisers, suppliers, customers, business associates and joint venture partners for their contribution to the Company and/or Subsidiaries and/or the associates companies and/or the joint controlled entities; and
- to promote the long term financial success of the Company and its Subsidiaries by aligning the interests of Option Holders to Shareholders.

Subject to Shareholders' approval with respect to the adoption of the New Scheme and satisfaction of all conditions precedent of the New Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Company must not, in aggregate, exceed the scheme mandate limit, i.e. 10% of the issued share capital of the Company as at the date of approval of the New Scheme.

As at the Latest Practicable Date, there were 1,922,900,556 Shares in issue. Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the date of the Annual General Meeting on which the New Scheme is expected to be adopted by the Shareholders, and subject to the New Scheme becoming effective, the Company may grant Options under the New Scheme and any other share option schemes of the Company in respect of which up to 192,290,055 Shares, representing 10% of the Shares in issue as at the date of the Annual General Meeting, may be issued.

Further, no Options will be granted which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the New Scheme, the existing options granted under the Existing Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

LETTER FROM THE BOARD

As at the Latest Practicable Date,

- (i) the Company has not adopted other share option scheme other than the Existing Scheme;
- (ii) there were 273,728,000 options granted under the Existing Scheme which shall in all respects remain valid and outstanding notwithstanding the termination of the Existing Scheme. Save as disclosed above, there were no other outstanding options, warrants or convertible securities to subscribe for Shares; and
- (iii) the remaining balance of options that can be granted under the Existing Scheme prior to the effective of the New Scheme is 161,484,655 options.

The New Scheme does not specify a minimum period for which the Option must be held nor a performance target which must be achieved before an Option can be exercised. However, it provides that the Board has absolute discretion to determine the same on case-by-case basis. The New Scheme also specifies the basis for determining the minimum exercise price in respect of any Option which must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share. None of the Directors are trustees of the New Scheme and the Company does not at present intend to appoint a trustee to the New Scheme.

The Board considers that it is not appropriate to state the value of all Options that can be granted under the New Scheme on the assumption that they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the Options as at the Latest Practicable Date will be based on a large number of speculative assumptions and would therefore not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the exercise price, the option period, any lock-up period, any performance targets that may be set and other relevant variables.

A summary of the principal terms of the New 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 New Scheme is available for inspection at the Company's registered office in Hong Kong at 5/F, Bank of East Asia Harbour View Centre, 51-57 Gloucester Road, Wanchai, Hong Kong from 10:00 a.m. to 5:00 p.m. on any weekday (Saturdays and public holidays excepted) from the date hereof to and including the date of the Annual General Meeting and at the Annual General Meeting.

5. ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out in this circular. In addition to the ordinary business of the meeting including re-election of retiring Directors, resolutions 4 to 6 will be proposed to approve the general mandates for the issue of Shares and the repurchase by the Company of its own Shares and extension of general mandate to issue Shares, adoption of the New Scheme and termination of the Existing Scheme.

LETTER FROM THE BOARD

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjourned meeting should you so wish.

6. VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll. The Chairman would explain the detailed procedures for conducting a poll at the Annual General Meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. GENERAL

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

9. RECOMMENDATION

The Board is of the opinion that the proposals referred to above are in the best interests of the Company and therefore recommend you to vote in favour of the resolutions in respect of the proposals for granting of general mandates for the issuance and repurchase of shares, extension of general mandate to issue Shares, re-election of retiring Directors, adoption of the New Scheme and termination of the Existing Scheme to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Li Shaofeng
Chairman

This appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the proposed Repurchase Mandate to be granted to the Directors. It also forms the memorandum of the terms of the proposed repurchases required under section 49BA(3)(b) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,922,900,556 Shares of HK\$0.10 each. On the basis that no further Shares are repurchased before the conclusion of the Annual General Meeting and that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed to repurchase a total of 192,290,055 Shares, representing 10% of the Shares in issue.

2. REASONS FOR REPURCHASES

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

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 and the applicable laws of Hong Kong. The Companies Ordinance provides that the amount of capital repaid in connection with a Share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such an extent allowable.

The Directors propose that repurchases of Shares be financed from the Company's internal resources or existing banking facilities.

4. IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position as disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2011 in the event that the proposed Shares repurchase was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company unless the Directors consider that such repurchases are in the best interests of the Company notwithstanding such material adverse effect.

5. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	0.820	0.750
May	0.780	0.680
June	0.740	0.540
July	0.590	0.500
August	0.570	0.400
September	0.450	0.345
October	0.440	0.300
November	0.440	0.350
December	0.390	0.310
2012		
January	0.380	0.310
February	0.420	0.360
March	0.405	0.330
April (Up to the Latest Practicable Date)	0.340	0.335

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company or its Subsidiaries.

No other Connected Persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. THE TAKEOVERS CODE

If on exercise of the powers 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 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 rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Shougang Holding (Hong Kong) Limited ("Shougang HK") was deemed to be interested in approximately 47.04% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and no further Shares are issued or repurchased during the proposed repurchase period, the beneficial interest of Shougang HK in the issued share capital of the Company will increase by more than 2% to approximately 52.27% and therefore Shougang HK may be required under the Takeovers Code to make an offer for all the issued Shares of the Company. The Directors have no present intention to exercise the power to repurchase Shares to such extent as would result in a takeover obligation on the part of Shougang HK.

The Directors have no present intention to execute the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in the amount of Shares held by the public being reduced to less than 25%.

8. REPURCHASE OF SHARES BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, neither the Company nor any of its Subsidiaries otherwise purchased, sold or redeemed any of the Company's listed Shares.

The following are the particulars of the four Directors proposed to be elected at the Annual General Meeting to be held on 25 May 2012.

1. **Mr. Tang Cornor Kwok Kau** – Deputy Managing Director and executive Director, aged 51, Mr. Tang joined the Group in 1998 and was appointed as the deputy managing director of the Company in March 2000. At present, he holds directorship in certain wholly owned subsidiaries of the Company. He holds a Bachelor and a Master Degrees in Business Administration from York University in Canada. Prior to joining the Group, Mr. Tang had held senior positions with various international investment banks. He also has over 15 years' experience in corporate and investment banking.

Other than his directorship disclosed above, Mr. Tang does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other Directors, senior management or substantial Shareholders or controlling Shareholders. At the Latest Practicable Date, he beneficially owns 10,000,000 Shares and in which of 200,000 Shares are jointly owned by his wife within the meaning of Part XV of the SFO. In addition, he has a personal interest of 10,000,000 underlying Shares attached to the share options granted by the Company. Mr. Tang is entitled to receive a HK\$165,000 monthly salary at present under his service contract with the Company. The service contract may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). His total emolument (including discretionary bonus) was approximately HK\$2,081,000 for the year ended 31 December 2011. There is no specified or proposed length of service for Mr. Tang with the Company as he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Tang confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. Leung Shun Sang, Tony** – Non-executive Director, aged 69, was appointed a non-executive director of the Company in 1995. He also serves as the vice-chairman of the Nomination Committee of the Company. With effect from 1 April 2012, he ceased to be the chairman but remains as a member of the Remuneration Committee of the Company. He is also a non-executive director of each of Shougang Concord International Enterprises Company Limited, Shougang Concord Technology Holdings Limited, Shougang Concord Grand (Group) Limited, Global Digital Creations Holdings Limited and Shougang Fushan Resources Group Limited (formerly known as “Fushan International Energy Group Limited”). Mr. Leung holds a Master Degree in Business Administration from New York State University and has over 40 years’ experience in finance, investment and corporate management. He is also the managing director of CEF Group.

Other than his directorship disclosed above, he has not previously held any position with the Group. Mr. Leung does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other Directors, senior management or substantial Shareholders or controlling Shareholders. At the Latest Practicable Date, he beneficially owns 7,652,000 Shares within the meaning of Part XV of the SFO. In addition, he has a personal interest of 16,592,000 underlying Shares attached to the share options granted by the Company. A service contract was entered into between Mr. Leung and the Company for a term of three years commencing from 1 January 2011. However, he will also be subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director’s fee as the Company may determine from time to time. At present, he receives a director’s fee of HK\$190,000 per annum. His total emolument was HK\$190,000 for the year ended 31 December 2011. The emoluments of Directors are determined by reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Leung confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Mr. Yip Kin Man, Raymond** – Independent Non-executive Director, aged 65, was appointed as the independent non-executive director of the Company in 1993. He serves as the chairman of the Audit Committee and a member of the Nomination Committee of the Company. With effect from 1 April 2012, he (an existing member) was appointed as the chairman of the Remuneration Committee of the Company. Mr. Yip was also appointed as the independent non-executive director of Shougang Concord Grand (Group) Limited in January 2007. Mr. Yip is a practising solicitor, notary public, Attesting Officer appointed by the Ministry of Justice of the PRC.

Mr. Yip has provided with the Company a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. He has served the Board for more than nine years, however, he has not engaged in any executive management of the Group. Mr. Yip believes his familiarity with the Company's business may place him in a better position to contribute independent views to the Company. Taking into consideration of his independent scope of works in the past years, there is no evidence that length of tenure is having an adverse impact of his independence.

Other than the directorship disclosed above, Mr. Yip has not previously held any position with the Group, and is independent of and not connected with the Directors, chief executives and substantial shareholders or controlling shareholders of the Company or its subsidiaries or an associate of any of them. He does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. At the Latest Practicable Date, he has a personal interest of 2,816,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO. A service contract was entered into between Mr. Yip and the Company for a term of three years commencing from 1 January 2011. However, he will also be subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. He will receive a director's fee as the Company may determine from time to time. At present, he receives a director's fee of HK\$240,000 per annum. His total emolument was HK\$240,000 for the year ended 31 December 2011. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Yip confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. Dong Haochun** – Deputy Managing Director and executive Director, aged 51, was appointed as the deputy general manager of the Company on 24 October 2011. At present, he holds directorship in a direct wholly owned subsidiary of the Company. He holds a Bachelor Degree in Naval Architecture and Ocean Engineering and a Master Degree in Naval Architecture in Shanghai Jiao Tong University. Mr. Dong has over 18 years of experience in sales, finance, general management and business development. Prior to joining the Company, he held various senior management positions with Cummins, Inc., including Chief Financial Officer of Cummins East Asia. Besides, he was awarded 2009 China Top 10 CFO by CFO Magazine 《首席財務官》雜誌.

Other than his directorship disclosed above, Mr. Dong does not hold any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationship with any other Directors, senior management or substantial Shareholders or controlling Shareholders. At the Latest Practicable Date, he has not have any interest in the Company within the meaning of Part XV of the SFO. A service contract was entered into between Mr. Dong and the Company for a fixed term commencing from 1 April 2012 and ending on 31 December 2014. The service contract may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). However, he is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Dong is entitled to receive a HK\$165,000 monthly salary at present under his service contract with the Company. His total emoluments (including sign-on bonus) was approximately HK\$639,000 for the year ended 31 December 2011 when he acted as deputy general manager of the Company. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Dong confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME

This appendix summarizes the principal terms of the New Scheme but does not form part of, nor was it intended to be, part of the New Scheme nor should it be taken as effecting the interpretation of the rules of the New Scheme.

(a) Purpose

The purpose of the New Scheme is (i) to attract and retain the best quality personnel for the development of the Company's businesses; (ii) to provide additional incentives or rewards to employees, Shareholders, consultants, agents, representatives, advisers, suppliers, customers, business associates and joint venture partners for their contribution to the Company and/or Subsidiaries, and/or associates companies and/or the joint controlled entities; and (iii) to promote the long term financial success of the Company and its Subsidiaries by aligning the interests of Option Holders to Shareholders.

(b) Who may join

On and subject to the terms of the New Scheme and the requirements of the Listing Rules, the Board may at the absolute discretion offer to grant an Option to any Qualifying Grantee.

(c) Administration

The New Scheme will be subject to the administration of the Board. The Board's administrative powers include the authority, in its discretion:

- (i) to select Qualifying Grantee to whom Options may be granted under the New Scheme;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (iii) to determine the number of Shares to be covered by each Option granted under the New Scheme;
- (iv) to approve forms of Option Agreement;
- (v) to determine the terms and conditions, not inconsistent with terms of the New Scheme, of any Option based in each case on such factors as the Board, in its sole discretion, shall determine. Such terms and conditions may include but are not limited to:
 - the exercise price;
 - the period within which the Shares must be taken up under the Option, which must not be more than 10 years from the date of grant;
 - the minimum period, if any, for which an Option must be held before it can vest;

- the performance targets, if any, that must be achieved before the Option can be exercised;
- the amount, if any, payable on application or acceptance of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
- prior notification being given to the Company of up to 24 hours of any intended sale of Shares allotted and issued upon exercise of the Option;

Save as may be otherwise determined by the Board from time to time, there is no minimum period for which an Option must be held or any performance target that must be achieved before an Option can be exercised under the terms of the New Scheme.

- (vi) to construe and interpret the terms of the New Scheme and Options granted pursuant to the New Scheme;
- (vii) to prescribe, amend and rescind rules and regulations relating to the New Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Qualifying Grantees;
- (viii) subject to the requirements of the Listing Rules, to vary the terms and conditions of any Option Agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the New Scheme).

(d) Grant of Option

On and subject to the terms of the New Scheme and the requirements of the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the date of adoption to make an offer for the grant of an Option to any Qualifying Grantee as the Board may in its absolute discretion select.

(e) Restriction on time of grant of Option

An offer of the grant of an Option may not be made after a price sensitive event or a price sensitive matter has been the subject of a decision, until such price sensitive information has been publicly disseminated in accordance with the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange) for the approval of the Company's interim or annual results; and (ii) the deadline for the Company to publish its interim or annual results announcement or quarterly or any other interim period announcement, and ending on the date of the results announcement, or such period as prescribed under the Listing Rules from time to time.

(f) Payment on acceptance of Option offer

HK\$1.00 is payable by the Qualifying Grantee to the Company on acceptance of the offer of the grant of an Option. The offer is open for acceptance by the Qualifying Grantee for a period of 60 days from the offer date.

(g) Exercise price

The exercise price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option but the exercise price shall not be less than whichever is the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(h) Option period

The period during which the Option may be exercised as the Board may in its absolute discretion determine and specify in the Option Agreement, save that such period shall not be expired later than 10 years from the date of grant of the relevant Option.

(i) Rights are personal to the Option Holder

An Option shall be personal to the Option Holder and shall not be assignable or transferable and no Option Holder 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, or enter into any agreement so to do.

(j) Rights attaching to the Options

The Shares to be allotted upon the exercise of an Option shall 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 with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, 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 of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.

(k) Rights on death

If an Option Holder dies, the Option may be exercised (notwithstanding that the option period may not yet have commenced) within such period of time as is specified in the Option Agreement or otherwise allowed by the Board (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for 12 months (or such longer period as the Board shall decide) following the relevant Qualifying Grantee's death. The Option may be exercised within that period by the personal representatives of the Qualifying Grantee.

If the Option is not so exercised within the time specified above, the Option shall lapse.

(l) Rights on dismissal

If an Option Holder ceases to be a Qualifying Grantee for being guilty of serious misconduct, or having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally, or having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse on the date of termination or cease of employment.

(m) Rights on termination other than for death or dismissal

If an Option Holder ceases to be a Qualifying Grantee other than death or dismissal of employment on the ground specified in (l), an Option Holder may exercise Option up to the date of such cessation (or such longer period as the Board may determine).

(n) Rights on general offer

If a general offer by way of takeover 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), and the offer becomes or is declared unconditional in all respects, the Option Holder shall be entitled to exercise the Option (to the extent not already exercised) unless otherwise provided in the Option Agreement or allowed by the Board, at any time within 14 days (or such longer period as the Board shall decide) after the date on which the offer becomes or is declared unconditional.

(o) Rights on compromise or arrangement

If a general offer by way of a scheme of arrangement is made to all the holders of Shares and the scheme has been approved by the necessary number of holders of Shares at the requisite meetings, the Option Holder (or his or her legal personal representatives) may, thereafter (but before such time as shall be notified by the Company and in any case, before the scheme becomes effective) exercise the Option to its full extent or to the extent specified in such notice.

(p) Rights on voluntary winding-up

If an effective resolution is passed for the voluntary winding-up of the Company, the Option Holder (or his or her legal personal representatives) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election reduced by an amount equal to the exercise price which would have been payable in respect thereof.

(q) Lapse of Option

Subject to the discretion of the Board to extend the option period as referred to in paragraphs (c), (k), (l), (m), (n), (o), (p) and (v), and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any Option Agreement, an Option shall lapse automatically (to the extent not already exercised) on the earliest of (i) the expiry of the option period; (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n), (o) and (p); and (iii) the date on which the Board certifies that there has been a breach of paragraph (i) above.

(r) Cancellation of Option

Options granted but not exercised or lapsed in accordance with the terms of the New Scheme may be cancelled by the Company with the approval of the Board and the Option Holder of the relevant Options. Where the Company cancels Options and offer to issues new ones to the same Qualifying Grantee, the issue of such new Options may only be made under the New Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph (s) below.

(s) Maximum number of Shares*(i) Overriding Limit*

The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Options may be granted under any schemes of the Company if this will result in the limit being exceeded.

(ii) Mandate Limit

In addition to the limit set out in sub-paragraph (s)(i) above and prior to the approval of a refreshed mandate limit as referred to in sub-paragraph (s)(iii) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of adoption, being 192,290,055 Shares (“Mandate Limit”) (based on 1,922,900,556 issued Shares as at the Latest Practicable Date and assuming there is no change in the issued share capital of the Company prior to the date of adoption). Options lapsed in accordance with the terms of the New Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

(iii) Refreshing of Mandate Limit

The Company may by ordinary resolutions of the Shareholders refresh the Mandate Limit provided the Company shall issue a circular to Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the 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 the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(iv) Grant to specifically identified Qualifying Grantee

Specifically identified Qualifying Grantee may be granted Options beyond the Mandate Limit. The Company may in addition seek separate approval by its Shareholders in general meeting for granting Options beyond the Mandate Limit provided the Options in excess of the limit are granted only to Qualifying Grantee specifically identified by the Company and a circular is issued to Shareholders before such approval is sought.

(v) Limit for each Qualifying Grantee

The total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) in any 12-month period granted to each Qualifying Grantee must not exceed 1% of the Shares in issue. Any further grant of Options to a Qualifying Grantee which would exceed this limit is subject to separate approval by the Shareholders in general meeting with the relevant Qualifying Grantee and his associates (as defined in the Listing Rules) abstaining from voting provided the Company shall issue a circular to Shareholders before such approval is sought.

(t) Grant of Option to Connected Persons

Insofar and for so long as the Listing Rules so require, where any offer of an Option is proposed to be made to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director to whom the offer of an Option is proposed to be made). Insofar and for so long as the Listing Rules so require, unless specifically approved by the Shareholders in general meeting following the issue of a circular to Shareholders by the Company, no Option may be granted to any substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of board meeting for proposing such further grant (i) representing in aggregate over 0.1% of the issued share capital of the Company in issue on the offer date; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the offer date, in excess of HK\$5 million. The Company must send a circular to its Shareholders containing the information required under Rule 17.04(3) of the Listing Rules. In such general meeting, the grant of Options to the substantial Shareholder or independent non-executive Director, or any of their respective associates shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders of the Company by way of poll with all Connected Persons of the Company abstaining from voting, except that any Connected Person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to Shareholders.

(u) Effects of reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of a capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation or subdivision of shares or reduction of capital, such corresponding alterations (if any) shall be made to (a) the number and/or nominal amount of Shares subject to the Option so far as unexercised; and/or (b) the exercise price; and/or (c) the maximum number of Shares subject to the New Scheme, as the auditors or the approved independent financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that: (i) any such alterations shall be made on the basis that the aggregate exercise price payable by an Option Holder on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event; (ii) no such alterations shall be made to the effect of which would enable a Share to be issued at less than its nominal value; and (iii) no such alterations shall be made to the effect of which would increase the proportion of the issued share capital of the Company for which any Option Holder is entitled to subscribe pursuant to the Options held by such Option Holder.

(v) Alteration to the New Scheme

The New Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Option Holders or prospective Option Holders except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Option Holders as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the New Scheme, which are of material nature and any change to the terms of the Options granted, shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Scheme.

The amended terms of the New Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alteration to the terms of the New Scheme shall be approved by the Shareholders. Subject to the Listing Rules and the terms of the New Scheme the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an Option Agreement on compassionate or any other grounds.

(w) Termination of the New Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event no further Options will be offered after the New Scheme is terminated but in all other respects the provisions of the New Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid and exercisable in accordance with the New Scheme.

NOTICE OF ANNUAL GENERAL MEETING



SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of Shougang Concord Century Holdings Limited (the “Company”) will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Friday, 25 May 2012 at 10:20 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements and the report of the directors and independent auditor’s report for the year ended 31 December 2011.
2. To re-elect the retiring directors (note 2).
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the board of directors to fix their remuneration.

AS SPECIAL BUSINESS

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

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or

NOTICE OF ANNUAL GENERAL MEETING

conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any option scheme 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 of its associated companies and/or any of its jointly controlled entities or any qualifying grantee pursuant to the scheme of shares or rights to acquire shares of the Company; or (iv) any scrip 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 share capital of the Company in issue as at the date of passing this resolution; and

(d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“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 on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and that the exercise by the directors of the Company of all the powers of the Company to repurchase such shares subject to and in accordance with all applicable laws or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and it is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) in addition, the approval in paragraph (a) above shall authorize the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
- (c) the aggregate nominal amount of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”
- B. “**THAT** conditional upon the passing of the ordinary resolution 5A above, the aggregate nominal amount of the shares in the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution 5A shall be added to the aggregate nominal amount of the shares in the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the ordinary resolution 4 above.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing and permission to deal in the shares falling to be allotted and issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “New Scheme”, the rules of which are summarised in the circular dated 11 April 2012 of the Company and contained in the document marked “A” produced to the Meeting and for the purposes of identification, signed by the chairman of the Meeting):

The New Scheme be and is hereby approved and adopted to be the share option scheme for the Company and the directors of the Company be authorised to take all such steps as may be necessary or desirable to implement the New Scheme and to grant options thereunder and to allot and issue shares pursuant to the New Scheme, and the existing share option scheme adopted by the Company on 7 June 2002 (the “Existing Scheme”) be terminated with immediate effect from the date on which such resolution shall become unconditional and no options shall be offered or granted under the Existing Scheme thereafter, but the options which have been granted and remained outstanding shall remain valid and exercisable in accordance with their term of issue.”

By order of the Board

Chan Lai Yee

Company Secretary

Hong Kong, 11 April 2012

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company. Forms of proxy must be lodged at the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the meeting.
2. With respect to resolution 2, Messrs. Tang Cornor Kwok Kau, Leung Shun Sang, Tony and Yip Kin Man, Raymond will retire from office by rotation, and Mr. Dong Haochun will retire from office, pursuant to the articles of association of the Company and being eligible, offer themselves for re-election at the above meeting.
3. The Register of Members of the Company will be closed from 23 May 2012 to 25 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 22 May 2012.
4. As at the date of this notice, the board of directors of the Company comprises Mr. Li Shaofeng (Chairman), Mr. Yang Kaiyu (Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Dong Haochun (Deputy Managing Director), Mr. Zhang Zhong (Executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Law, Yui Lun (Independent Non-executive Director) and Mr. Chan Chung Chun (Independent Non-executive Director).