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GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1203)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Guangnan (Holdings) Limited (the “Company”) will be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Thursday, 24 May 2012 at 2:30 p.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited consolidated financial statements, the Report of the Directors and the Report of the Independent Auditor of the Company for the year ended 31 December 2011.
2. To declare a final dividend for the year ended 31 December 2011.
3. To re-elect retiring directors of the Company (the “Directors”) and authorize the board of Directors (the “Board”) to fix the remuneration of Directors.
4. To re-appoint the Auditors of the Company and authorize the Board to fix their remuneration.

And as Special Business, to consider and, if thought fit, to pass with or without amendments, the following as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (a) subject to the other provisions of this resolution and pursuant to Section 57B of the Companies Ordinance (Chapter 32 of the Laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares of HK\$0.50 each in the capital of the Company (the “Ordinary Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Ordinary Shares or securities convertible into Ordinary Shares, and to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the Ordinary Shares allotted, issued or dealt with, or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Ordinary Shares, (iii) the exercise of options granted by the Company under any option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Ordinary Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20 per cent. of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of this resolution, and the said approval 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 earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Ordinary Shares open for a period fixed by the Company (or by the Directors) to holders of Ordinary Shares on the register of members (Ordinary Shares) of the Company on a fixed record date in proportion to their then holdings of such Ordinary 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 any authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Ordinary Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and authorized by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Ordinary Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of this resolution; 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 expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening the annual general meeting, the aggregate nominal amount of the number of Ordinary Shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate nominal amount of share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution no. 5.”

By order of the Board
LO Wing Suet
Company Secretary

Hong Kong, 23 April 2012

Registered office:
22nd Floor
Tesbury Centre
24-32 Queen’s Road East
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote in his place and such proxy need not be a shareholder of the Company.
- (ii) To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company's share registrar, 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 fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (iii) In the case of joint shareholders, 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 will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (iv) The register of members of the Company will be closed from Tuesday, 22 May 2012 to Thursday, 24 May 2012 (both days inclusive), for the purpose of determining shareholders' entitlement to attend and vote at the meeting, during which period no transfers of shares will be registered. In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 21 May 2012.
- (v) The register of members of the Company will be closed from Wednesday, 30 May 2012 to Friday, 1 June 2012 (both days inclusive), for the purpose of determining shareholders' entitlement to the proposed final dividend, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 29 May 2012.
- (vi) In relation to resolution no. 5, approval is being sought from shareholders of the Company for a general mandate to authorize the issue of Ordinary Shares. The Directors wish to state that they have no immediate plans to issue any new Ordinary Shares pursuant to the general mandate so given.
- (vii) In relation to resolution no. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Ordinary Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. The Explanatory Statement containing the information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Ordinary Shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the Appendix I to the circular to be dispatched to the shareholders on Monday, 23 April 2012.
- (viii) In relation to resolution no. 7, approval is being sought from shareholders of the Company to extend the general mandate to authorize the issue of Ordinary Shares by adding the repurchased Ordinary Shares to the 20 per cent. general mandate to issue Ordinary Shares.

As at the date of this announcement, the Board is composed of four executive directors, namely Messrs. Liang Jiang, Li Li, Tan Yunbiao and Sung Hem Kuen; three non-executive directors, namely Messrs. Huang Xiaofeng and Luo Fanyu and Ms. Liang Jianqin; and three independent non-executive directors, namely Mr. Gerard Joseph McMahon, Ms. Tam Wai Chu, Maria and Mr. Li Kar Keung, Caspar.