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

If you have sold all your shares in Goldpoly New Energy Holdings Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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GOLDPOLY NEW ENERGY HOLDINGS LIMITED

金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 686)

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, ADOPTION OF NEW BYE-LAWS, ADOPTION OF A NEW SHARE OPTION SCHEME, TERMINATION OF EXISTING SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Goldpoly New Energy Holdings Limited (the "Company") to be held at Academy Room III, 1/F., InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 19 June 2012 at 3:00 p.m. or any adjournment thereof is set out on pages 37 to 41 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish.

* *For identification purpose only*

18 May 2012

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

"AGM"	the annual general meeting of the Company to be held at Academy Room III, 1/F., InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 19 June 2012 at 3:00 p.m.;
"Board"	the board of Directors;
"Bye-Laws"	the bye-laws of the Company;
"Company"	Goldpoly New Energy Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
"Director(s)"	director(s) of the Company;
"Existing Share Option Scheme"	the existing share option scheme adopted by the Company on 10 September 2002;
"Grantee"	any participant who accepts an Offer in accordance with the terms of the New Share Option Scheme, or the legal personal representative(s) entitled to any Option in consequence of the death of the original Grantee;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Issue Mandate"	the general mandate to allot, issue and deal with Shares not exceeding 20 per cent. of the issued share capital of the Company as at the date of passing of the resolution approving such general mandate;
"Latest Practicable Date"	15 May 2012, being the latest practicable date prior to the printing of this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"New Share Option Scheme"	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix II to this circular;

"Notice of AGM"	the notice of the AGM as set out on pages 37 to 41 to this circular;
"Offer"	the offer of the grant of an Option;
"Offer Date"	the date on which an Offer is made to a participant;
"Option(s)"	a right to subscribe for Shares pursuant to the New Share Option Scheme;
"Option Period"	a period to be notified by the Board to each Grantee (provided that the period within which an Option must be exercised shall not be more than ten years commencing on the date upon which the Option is granted in accordance with the New Share Option Scheme) subject to any restrictions as may be imposed by the Board on the exercise of an Option during the period in which an Option may be exercised;
"Repurchase Mandate"	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving such general mandate;
"SFO"	the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong);
"Share(s)"	ordinary shares of HK$0.10 each in the share capital of the Company;
"Shareholder(s)"	holders of Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	The Code on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time; and
"%"	per cent.

GOLDPOLY NEW ENERGY HOLDINGS LIMITED
金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 686)

Executive Directors:
Lam Ho Fai
Lin Xia Yang
Yiu Ka So

Non-executive Directors:
Academician Yao Jiannian
Chiang Chao-Juei

Independent non-executive Directors:
Kwan Kai Cheong
Ching Kwok Ho, Samuel
Ip Shu Kwan, Stephen
Yen Yuen Ho, Tony

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Office:
Room 6301
The Center
99 Queen's Road Central
Hong Kong

18 May 2012

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, ADOPTION OF NEW BYE-LAWS, ADOPTION OF A NEW SHARE OPTION SCHEME, TERMINATION OF EXISTING SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

It is proposed that at the AGM, ordinary resolutions will be proposed to grant to the Directors general mandates to repurchase and issue Shares, to extend general mandate to issue Shares, to re-elect retiring Directors, to adopt the New Share Option Scheme and terminate the Existing Share Option Scheme. A special resolution will also be proposed at the AGM to adopt a new set of Bye-Laws. This circular contains the explanatory statement in compliance with the Listing Rules and gives all the information to enable the Shareholders to make an informed decision on whether to vote for or against these resolutions.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors to enable them to repurchase issued and fully paid Shares subject to the criteria set out in this circular. The Shareholders should note that the maximum number of Shares that may be repurchased will be up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution. The Repurchase Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company. In accordance with the requirements of the Listing Rules, an explanatory statement on the Repurchase Mandate is set out in Appendix I to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on the proposed resolution.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant the Issue Mandate to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue on the date of the resolution approving the Issue Mandate. The Issue Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the Company has issued 858,777,577 Shares. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 171,755,515 Shares upon exercise of the Issue Mandate in full.

EXTEND GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to extend the Issue Mandate by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount will not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company in issue on the date of the resolution approving the Issue Mandate.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, Mr. Lam Ho Fai, Ms. Lin Xia Yang, and Mr. Yiu Ka So are the Executive Directors, Academician Yao Jiannian and Mr. Chiang Chao-Juei are the non-executive Directors and Mr. Kwan Kai Cheong, Mr. Ching Kwok Ho, Samuel, Mr. Ip Shu Kwan, Stephen and Mr. Yen Yuen Ho, Tony are the independent non-executive Directors of the Company. In accordance with the Bye-Laws of the Company, Mr. Lam Ho Fai ("Mr. Lam"), Ms. Lin Xia Yang ("Ms. Lin") and Mr. Ip Shu Kwan, Stephen ("Mr. Ip") will retire from office by rotation and be eligible for re-election at the AGM. Mr. Chiang Chao-Juei ("Mr. Chiang") was appointed as a non-executive Director of the

Company on 19 May 2011. He shall retire at the AGM pursuant to Bye-Laws 115 of the existing Bye-Laws and, being eligible, will offer himself for re-election. Biographical details of the Directors who are proposed to be re-elected at the AGM are set out as follows:

Mr. Lam Ho Fai, aged 56, is the executive Director, acting Chairman of the Company and a director of certain subsidiaries of the Group. He is also the chairman of the Nomination Committee of the Company. Mr. Lam has over 20 years experience in treasury management in the banking industry and 7 years of corporate finance experience. Mr. Lam is the general manager of the fashioning business and oversees the entire fashioning operation of the Group. Prior to joining the Company in July 2008, he had served as the chief financial officer of a U.S. listed company. Mr. Lam holds an honored degree in Bachelor of Commerce with a major in Business Administration from the University of Windsor, Canada and is the member of the Hong Kong Securities Institute.

As at the Latest Practicable Date, Mr. Lam was interested, within the meaning of Part XV of the Securities and Futures Ordinance, in 1,000,000 ordinary Shares, and in 225,191 Share options and underlying Shares of the Company. Mr. Lam has entered into a continuous service contract with the Company, subject to retirement by rotation and other related provisions as stipulated in the Bye-Laws of the Company. The remuneration of Mr. Lam is fixed at HK$80,000 per month, plus an extra one month year end bonus, which is determined by the arm's length negotiations between parties with reference to his experience and general market conditions.

Ms. Lin Xia Yang, aged 52, is the executive Director of the Company and a director of certain subsidiaries of the Group. Ms. Lin has joined the Group in October 2008 and is responsible for the Group's strategic planning. Ms. Lin had studied in South China Normal University, Sun Yat-sen University and Hong Kong Baptist University since 1978 and obtained a Bachelor of Philosophy and a Master of Business Administration. Ms. Lin had served one administrative division of China as the deputy director of policy research and administrative committee office, the deputy director of economic committee office and the chairman of a state-owned assets management company. Since 2004, Ms. Lin has served as the chairman and general manager of Guangdong Kaili Tianren Investment Co., Ltd. Ms. Lin has over 20 years of extensive experience in corporate management, merger and acquisition, assets management and restructuring.

As at the Latest Practicable Date, Ms. Lin was interested within the meaning of Part XV of the Securities and Futures Ordinance in 1,000,000 ordinary Shares and in 1,225,191 Share options and underlying Shares of the Company. Ms. Lin has entered into a continuous directors' contract with the Company, subject to retirement by rotation and other related provisions as stipulated in the Bye-Laws of the Company. The remuneration of Ms. Lin is HK$200,000 per year as determined by the Board with reference to her responsibilities within the Company and the prevailing market conditions.

Mr. Ip Shu Kwan, Stephen, *GBS, JP*, aged 60, an independent non-executive Director of the Company since October 2010, is also a member of both the Audit Committee and Remuneration Committee of the Company.

Mr. Ip graduated from the University of Hong Kong with a degree in Social Sciences in 1973. He subsequently pursued post-graduate studies in Oxford University and Harvard Business School. Mr. Ip joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in Hong Kong as a Principal Official from

July 1997 to June 2007. Senior positions held by Mr. Ip in the past include Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea, transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees' rights.

In his capacity as Secretary for Economic Development and Labour, Mr. Ip was a member of the Hong Kong Airport Authority Board, the Mandatory Provident Fund Authority Board, the Hong Kong International Theme Parks Company Board as well as the Chairman of the Logistics Development Council, Port Development Board, Maritime Industry Council and Aviation Development Advisory Committee. Mr. Ip retired from the Hong Kong Government in July 2007.

Mr. Ip received the Gold Bauhinia Star award from the Hong Kong Special Administrative Region Government in 2001, and is an unofficial Justice of the Peace. Mr. Ip is also an independent non-executive director of Yangtze China Investment Limited, a company listed in the United Kingdom, since February 2008, and an independent non-executive director of China Resources Cement Holdings Limited since August 2008, Synergis Holdings Limited since September 2008, Lai Sun Development Company Limited since December 2010, Viva China Holdings Limited since June 2010, Milan Station Holdings Limited since April 2011, Kingboard Laminates Holdings Limited since May 2011, Luk Fook Holdings (International) Limited since October 2011, and PICC Property and Casualty Company Limited from 17 January 2011 to 1 November 2011, all are companies listed on the Stock Exchange.

As at the Latest Practicable Date, Mr. Ip was interested within the meaning of Part XV of the Securities and Futures Ordinance in 800,000 share options and underlying shares of the Company. Under the contract entered into between the Company and Mr. Ip dated 30 March 2011, Mr. Ip is entitled to receive a director's fee of HK$200,000 per annum for a term of one year, which will continue thereafter until terminated by either party giving not less than one month's notice in writing to the other party. The director's fee was determined by the Board with reference to his responsibilities within the Company and the prevailing market conditions.

Mr. Chiang Chao-Juei, aged 58, was appointed non-executive Director of the Company on 19 May 2011. Mr. Chiang received his bachelor degree of Business Administration from Fu Jen Catholic University (Taiwan) in 1974. Mr. Chiang has more than 30 years of experience in high tech manufacturing. He is the founder and Chairman of TPK Holding Co. Ltd. ("TPK"). TPK, newly listed on Taiwan Stock Exchange in October 2010, is a prominent promoter of transparent projected-capacitive ("P-Cap") touch technology and engaged in the business of designing, manufacturing and marketing P-Cap touch panels/modules. Strategically situated in Xiamen, China, TPK has achieved an average annual grow rate in excess of 100% since its inception in 2007.

Mr. Chiang started his career by co-founding Taiwan Video & Monitor Corp ("TVM") with the family members in 1984. TVM initially specialized in personal computer monitors and was one of the top award-winning monitor brands in Taiwan. In the year of 2001, TVM established a manufacturing arm in Xiamen, China as TVM and has since re-positioned itself as a touch monitor specialist.

As at the Latest Practicable Date, Mr. Chiang did not hold any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is a service contract entered into between the Company and Mr. Chiang dated 30 June 2011 for a term of one year, which will continue thereafter until terminated by either party giving not less than one month's notice in writing to the other party. Mr. Chiang's remuneration is HK$200,000 per year as determined by the Board with reference to his responsibilities within the Company and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, each of Mr. Lam Ho Fai, Ms. Lin Xia Yang, Mr. Ip Shu Kwan, Stephen and Mr. Chiang Chao-Juei (i) had no relationship with any other director, senior management, substantial or controlling shareholder of the Company; (ii) had no interests in the Shares within the meaning of Part XV of the SFO; and (iii) did not hold any directorship in any other listed public companies nor did he hold any such directorship during the last three years preceding the Latest Practicable Date.

Saved as disclosed above in relation to each of Mr. Lam Ho Fai, Ms. Lin Xia Yang, Mr. Ip Shu Kwan, Stephen and Mr. Chiang Chao-Juei, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (x) of Rule 13.51(2) of the Listing Rules.

THE EXISTING SHARE OPTION SCHEME

With effect from 1 January 2009, the provisions governing share option schemes of a listed issuer in the Listing Rules have been changed. Any further grant of options under the Existing Share Option Scheme must comply with the requirements under the amended Chapter 17 of the Listing Rules. Although it is still possible to grant new options under the Existing Share Option Scheme provided that such grant of options comply with the requirements under the amended Chapter 17 of the Listing Rules. In view of the forthcoming expiry of the Existing Share Option Scheme on 9 September 2012, the Board proposes to seek the Shareholders' approval at the AGM to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme for the purpose of administrative convenience. There will not be difference in major terms between the Existing Share Option Scheme and the New Share Option Scheme.

Upon termination of the Existing Share Option Scheme, no further options shall be offered but the provisions of the Existing Share Option Scheme shall remain in force in all other respects and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme. As at the Latest Practicable Date, there are 4,250,382 outstanding Options granted but not yet exercised by the Company under the Existing Share Option Scheme.

THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The New Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Group attained through their efforts and contributions.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select eligible participants to whom the Options shall be granted. The basis of determining the eligibility of the participants shall be their contribution to the development and growth of the Group. The Options may then be granted to such eligible participants on such terms and conditions, as the Board may in its absolute discretion, in relation to their vesting, exercise or otherwise (e.g. by linking their excise to the attainment or performance of milestones set out by the Group).

On the basis of 858,777,577 Shares in issue as at the Latest Practicable Date, and assuming no further Shares shall be issued or repurchased by the Company between the period from the Latest Practicable Date and the date of passing the ordinary resolution by Shareholders to adopt the New Share Option Scheme, the total number of Shares issuable pursuant to the New Share Option Scheme on the date of its adoption will be 85,877,757 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. Except for the Existing Share Option Scheme, the Group has not adopted any scheme which will enable the Directors to grant options for subscription of Shares in the Company. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any) of the New Share Option Scheme.

There is no performance target and no minimum period for which an Option must be held before it can be exercised specified in the New Share Option Scheme. The subscription price for Shares on the exercise of Options under the New Share Option Scheme as determined by the Board shall be no less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the Option is granted, which date must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which the Option is granted; and (iii) the nominal value of a Share.

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix II to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong during normal business hours of the Company from 18 May 2012 until the date of the AGM.

Value of the Options

As the New Share Option Scheme is yet to be approved by the Shareholders at the AGM, the Board has not determined the time frame on the granting of the Options and the number of Shares for which any Grantee may subscribe upon exercise of an Option. Accordingly, the Board considers that it is premature to state the value of the Option for the time being in this circular. The Board also considers that it is inappropriate to value all the Options as if they had been granted at the Latest Practicable Date. Such value would not be meaningful, but could be misleading to the Shareholders as it would necessarily be based on many assumptions including the exercise price, the exercise period, the vesting period and other variables, all of which would be difficult to reply on.

Conditions of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

(i) the passing of an ordinary resolution at the AGM approving the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme and authorizing the Directors to grant Options to subscribe for Shares thereunder and to allot, issue and deal in the Shares pursuant to the exercise of any Option granted under the New Share Option Scheme; and

(ii) the Stock Exchange granting the approval for the listing of and permission to deal in any new Shares which may fall to be allotted and issued pursuant to the exercise of any option granted under the New Share Option Scheme (with such grant being limited to 10% of the issued share capital of the Company as at the date of adoption of the New Share Option Scheme).

Application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Shares which may fall to be allotted and issued upon the exercise of the Option under the New Share Option Scheme.

PROPOSED ADOPTION OF NEW BYE-LAWS

The existing Bye-Laws were first adopted in 2000. Since the last amendment of the existing Bye-Laws in 2006, there have been various amendments in applicable laws and regulations, including certain amendments to the Listing Rules and the Companies Act 1981 of Bermuda. Substantial amendments to the existing Bye-Laws are required to align and keep abreast with current provisions of the applicable laws and regulations. It is proposed that a set of new bye-laws, which complies with all current applicable laws and regulations and includes certain other housekeeping changes, be adopted in substitution for and to the exclusion of the existing Bye-Laws instead of amending the existing Bye-Laws on a piecemeal basis, which may lead to confusion and complication in the future.

Details of the principal provisions of the proposed new bye-laws is set out in Appendix III to this circular. A summary of the major differences between the existing Bye-Laws and the proposed new bye-laws is set out below. The proposed new set of bye-laws:

1. specifies that all resolutions at general meetings of the Company shall be decided by way of poll other than those resolutions which relate purely to procedural or administrative matters as may be permitted under the Listing Rules, which will be voted on by a show of hands;

2. specifies that (i) an annual general meeting shall be called by written notice of not less than 21 clear days and not less than 20 clear business days, (ii) any special general meeting called for the passing of a special resolution shall be called by written notice of not less than 21 clear days and not less than 10 clear business days, and (iii) all other special general meetings called for the passing of an ordinary resolution may be called by written notice of not less than 14 clear days and not less than 10 clear business days;

3. no longer permits a Director to disregard an interest below 5% when considering whether the Director has a material interest in a transaction which would prevent him from forming part of the quorum or voting at a board meeting;

4. requires a physical board meeting to be held (and resolutions cannot be passed by way of written resolutions) where a substantial Shareholder or Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material; and

5. subject to compliance with the rules and regulations of the designated stock exchange and any other relevant regulatory authority, allows the Company to give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares in the Company.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 37 to 41 of this circular, at which ordinary resolutions will be proposed to approve, *inter alia*, the granting of the Repurchase Mandate and Issue Mandate and the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, the re-election of retiring Directors and adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; and a special resolution will be proposed to adopt a set of new Bye-Laws.

A form of proxy for use at the AGM is enclosed in this circular and such form of proxy is also published on the website of the Stock Exchange (*www.hkex.com.hk*) and the Company's website (*www.goldpoly.hk*). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited of 18/F Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to existing Bye-law 73.

As far as the Board is aware, there is no Shareholder who is required to be abstained from voting under the Listing Rules.

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.

RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of retiring Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme and the adoption of the proposed new Bye-Laws are in the best interests of the Company and its Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions at the forthcoming AGM.

By Order of the Board
Lam Ho Fai
Executive Director

* *For identification purpose only*

The following is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the forthcoming AGM authorizing the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 858,777,577 Shares in issue as at the Latest Practicable Date, could accordingly result in up to 85,877,757 Shares being repurchased by the Company during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net assets value per Share and/or earnings per Share.

3. FUNDING OF REPURCHASES

The Company is empowered by its memorandum of association and Bye-Laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the fund of the Company that would otherwise be legally available for dividend or distribution or out of the share premium accounts of the Company for such purpose under the laws of Bermuda. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced so that the shares may be subsequently re-issued.

4. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

As compared with the financial position of the Company as at 31 December 2011 (being the date of its latest audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the proposal is approved by Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and Bye-Laws of the Company.

7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the substantial shareholder of the Company are

	Shareholding	
Name of Shareholder	**Number of Shares or underlying Shares held**	**Percentage of the issued share capital of the Company**
Hung Chao Hong	61,876,000	7.21%
Hong Zhonghai	1,800,000	0.21%
Jet Mile Limited *(note i)*	92,936,803	10.82%
Mr. Hung Chao Hong & Mr. Hong Zhonghai total	156,612,803	18.24%

Note:

i. Jet Mile Limited is owned as to 66.7% by Mr. Hung Chao Hong and as to 33.3% by Mr. Hong Zhonghai.

Base on such shareholding, in the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution and assuming that there is no change in the shareholdings since the Latest Practicable Date, the shareholding of Hung Chao Hong & Mr. Hong Zhonghai in the Company would be increased to approximately 20.26% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase Shares pursuant to the Repurchase Mandate.

The Company may not purchase Shares on the Stock Exchange if that purchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

8. SHARE PURCHASE MADE BY THE COMPANY

During each of six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company.

9. SHARE PRICES

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Months	Price Per Share	
	Highest	**Lowest**
	HK$	*HK$*
2011		
May	1.58	1.31
June	1.42	1.29
July	1.34	1.10
August	1.13	0.93
September	1.02	0.90
October	0.96	0.87
November	0.90	0.73
December	0.88	0.77
2012		
January	0.87	0.77
February	0.98	0.82
March	0.95	0.80
April	0.97	0.84
May (up to the Latest Practicable Date)	0.98	0.91

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM:

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is for the Group to attract, retain and motivate talented participants to strive for future developments and expansion of the Group. The New Share Option Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

2. CONDITIONS

The New Share Option Scheme shall take effect subject to:

(i) the passing of an ordinary resolution by the Shareholders in the AGM for the approval of the Shareholders for the adoption of the New Share Option Scheme, the termination of the Existing Share Option Scheme and to authorize the Directors to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;

(ii) the Listing Committee of the Stock Exchange granting approval (whether subject to conditions or not) of the New Share Option Scheme and any Options which may be granted thereunder, and the listing of and permission to deal in any Shares which may be issued pursuant to the exercise of Options, initially up to the limit equal to 10% of the issued share capital of the Company as at the date of the AGM;

(iii) (if so required by the laws of Bermuda) the approval of the Bermuda Monetary Authority for the issue of the Options and any Shares which may be issued pursuant to the exercise of any Options granted under this New Share Option Scheme.

3. DURATION

The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption (i.e. within ten years from 19 June 2012 to 18 June 2022) after which period no further Options will be granted but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect and Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

4. PARTICIPANTS OF THE NEW SHARE OPTION SCHEME

On and subject to the provisions of the Listing Rules and the terms of the New Share Option Scheme, the Board shall be entitled at any time during the life of the New Share Option Scheme to make an Offer to any participant in the categories classified in paragraphs 4(i), (ii) and (iii) below as the Board may in its absolute discretion select to take up Options in respect of such number of Shares as the Board may determine at the subscription price determined in accordance with paragraph 5 below. The participants are as follows:

(i) any full-time employee and director (including executive director, non-executive director and independent non-executive director) of the Group (collectively "Employee");

(ii) any advisor or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group; any provider of goods and/or services to the Group; any customer of the Group; any person or entity that provides research, development or other technological support to the Group; an shareholder of any member of the Group or any other holder of any securities issued by any member of the Group; or any other person who, at the sole determination of the Board, has contributed to the Group (the assessment criterion of which are (a) such person's contribution to the development and performance of the Group; (b) the quality of work performed by such person for the Group; and (c) the initiative and commitment of such person in performing his or her duties; and (d) the length of service or contribution of such person to the Group) (collectively "Business Associate"); and

(iii) the trustee of any trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate of the Group (collectively "Trustee").

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (e.g. by linking their exercise to the attainment or performance of milestones by the Group, the Grantee or any group of participants) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme.

5. SUBSCRIPTION PRICE FOR SHARES UNDER THE NEW SHARE OPTION SCHEME

The subscription price for Shares on the exercise of Options under the New Share Option Scheme as determined by the Board shall be no less than the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the Option is granted, which date must be a business day;

(ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which the Option is granted; and

(iii) the nominal value of a Share.

6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

(i) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme unless the Company obtains a fresh approval from the Shareholders pursuant to 6(ii) below.

(ii) The Company may seek approval of Shareholders in general meeting to renew the 10% limit set out in 6(i) above such that the total number of Shares in respect of which Options may be granted by the Board under the New Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 10% of the total number of Shares in issue as at the date of approval of the renewed limit.

(iii) The Company may grant Options to specified participant(s) beyond the 10% limit set out in 6(i) above provided that the Options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the participants are specifically identified by the Company before such approval is sought.

(iv) Notwithstanding the foregoing and subject to the paragraph 7 below, the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any options outstanding and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.

7. MAXIMUM NUMBER OF OPTIONS TO EACH PARTICIPANT

(i) Subject to paragraphs 7(iii) and 7(iv) below, the total number of Shares issued and to be issued upon exercise of the Options granted to each participant (including exercised, cancelled and outstanding Options) in any twelve-month period shall not exceed 1% of the total number of Shares in issue.

(ii) Notwithstanding paragraph 7(i) above, any further grant of Options to a participant in excess of the 1% limit shall be subject to Shareholders' approval with such participant and his associates abstaining from voting. The number and terms of the Options to be granted to such participant shall be fixed before Shareholders' approval of the grant of such Options and the date of board meeting for proposing such further grant should be taken as the date of Offer for the purpose of calculating the subscription price for Shares under the New Share Option Scheme.

(iii) In addition to paragraphs 7(i) and 7(ii) above, any grant of Options to a participant who is a director, chief executive or substantial shareholder (each has the meaning as ascribed under the Listing Rules) of the Company or their respective associates must be approved by the independent non-executive directors of the Company (excluding independent non-executive director who is the participant).

(iv) Where the Board proposes to grant any Option to a participant who is a substantial shareholder or an independent non-executive director of the Company or any of their respective associates and such Option which if exercised in full, would result in such participant becoming entitled to subscribe for such number of Shares, when aggregated with the total number of Shares already issued, and issuable, to him or her pursuant to all the Options granted and to be granted (including Options exercised, cancelled and outstanding) to him or her in the twelve-month period up to and including the proposed Offer Date of such grant (the "Relevant Date"):

(a) representing in aggregate more than 0.1% of the relevant class of securities of the Company in issue at the Relevant Date; and

(b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange daily quotations sheet on the Relevant Date and if the Relevant Date is not a trading day, the trading day immediately preceding the Relevant Date, in excess of HK$5,000,000.

such proposed grant of Options must be approved by the Shareholders in general meeting and the Company must send a circular to the Shareholders, the participant concerned and all other connected persons of the Company must abstain from voting (except where any connected person intends to vote against the relevant resolution provided that such intention to do so has been stated in the circular). Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

8. OFFER AND ACCEPTANCE

(i) An Offer shall be made to a participant by letter in such form as the Board may from time to time determine requiring the participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the participant to whom an Offer is made for a period of twenty-eight (28) days from the Offer Date.

(ii) An Offer shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company.

9. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.

10. PERFORMANCE TARGET

No performance target need to be achieved by the Grantee before the Options can be exercised, unless otherwise determined by the Board.

11. MINIMUM PERIOD HELD FOR AN OPTION

No minimum period for which an Option must be held before it can be exercised, unless otherwise determined by the Board.

12. TIME OF EXERCISE OF OPTIONS

Subject to the terms and conditions upon which the Option was granted, the Option may be exercised by the Grantee at any time during the Option Period.

13. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the Grantee ceases to be an employee or a director of the Group in accordance with the termination provisions of his contract of employment by his employing company, otherwise than on redundancy, or because his employing company ceases to be a member of the Group, all his Options to the extent not already exercised shall lapse and determine upon expiry of the date he so ceases provided that in any such case the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide. For clarification purpose, employment of the Grantee shall cease on the date upon expiry of the notice period or the date upon payment in lieu is made.

If the Grantee is an Employee or a Business Associate (in each case, being an individual) dies before exercising the Option in full and none of the events specified in paragraph 20(iv) below arises, the personal representative(s) of the Grantee shall be entitled within a period of six (6) months to exercise the Option up to the entitlement of such Grantee at the date of death (to the extent not already exercised), failing which it will lapse provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

14. RIGHTS ON TAKEOVER

If a general offer by way of take-over is made to all the Shareholders (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror (as defined in the Takeovers Code)) with the terms of the offer having been approved by the Shareholders of not less than nine-tenths in value of the Shares comprised in the offer within four (4) months from the date of the offer and the offeror thereafter gives a notice to acquire the remaining Shares, the Grantee (or where appropriate, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) even though the Option Period has not come into effect during the occurrence of the general offer within one month after the date on which the general offer becomes or is declared unconditional and to the extent that it has not been so exercised, any Option shall upon the expiry of such period cease and determine provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisitions of share and gives

notice in writing to any holders of Shares that he intends to exercise such rights, Options shall be and remain exercisable until one month from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine.

15. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her legal representatives) may by notice in writing to the Company (such notice to be received by the Company not later than four (4) business days prior to the proposed Shareholders' meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

16. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS MEMBERS OR CREDITORS

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the Grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date two (2) months thereafter and the date on which such compromise or arrangement is sanctioned by the court, provided that the relevant Options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

17. EFFECT ON REORGANIZATION 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 capitalization of profits or reserves, rights issue, open offer, consolidation, sub-division, or reduction of the share capital of the Company, other than any alteration in the capital structure of the Company as a result of an issue of shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any employee, consultant or adviser to the Group or in the event of any distribution of the Company's legal assets to the

Shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to the Shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Shares subject to the Option so far as unexercised; or

(ii) the subscription price for Shares under the New Share Option Scheme,

or any combination thereof, as the Company's auditors or independent financial adviser shall certify in writing, either generally or as regard any particular Grantee, to have, in their opinions, fairly and reasonably satisfied the requirement that such adjustments shall be in compliance with the relevant provisions of the Listing Rules or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time, but that no such adjustments shall have the effect of rendering: (i) the subscription price for the Shares payable upon the exercise of any Option becoming less than the nominal amount of the Share; (ii) the aggregate subscription price of the Shares relating to any Option being increased; and (iii) the proportion of equity capital of the Company to which the Grantee is entitled after the adjustment(s) becoming otherwise than that to which he was entitled prior to the adjustment(s). The capacity of the Company's auditors or the independent financial adviser in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantee. The costs of the Company's auditors or the independent financial adviser shall be borne by the Company.

18. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date of allotment and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof is before the date of allotment.

19. CANCELLATION OF OPTIONS

The Board may at any time in its absolute discretion cancel Options previously granted to, but not yet exercised by such Grantee. Where the Company cancels Options and offers Options to the same Grantee, the offer of such new Options may only be made with available Options to the extent not yet granted (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 6.

20. LAPSE OF OPTION

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

(i) the expiry of the Option Period (subject to paragraph 3 above);

(ii) the expiry of the periods referred to in paragraphs 13 and 15 above;

(iii) subject to the scheme of arrangement or scheme for reconstruction or amalgamation becoming effective, the expiry of the period referred to in paragraph 16 above;

(iv) the date on which:

(a) the Grantee being an Employee, ceases to be an employee or director of the Group by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty; or

(b) the Grantee being a Business Associate who is an advisor or consultant to the Group, and the Business Associate is under any contract with the Group, such contract is terminated by reason of breach of contract on the part of the Business Associate; or

(c) the Grantee being a Business Associate, appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or ceases or threatens to cease to carry on its business, or is wound up, or has an administrator or liquidator being appointed for the whole or any part of its undertaking or assets; or has been convicted of any criminal offence involving integrity or honesty; or

(d) the Grantee being a Trustee, the relevant beneficiary being an Employee or a Business Associate, any one of the events referred to in (a) to (c) above occurs to such beneficiary,

provided that whether any one or more of the events specified in the above occur in relation to a Grantee shall be solely and conclusively determined by the Board;

(v) the close of four (4) business days prior to the Shareholders' meeting held for the purpose of approving the voluntary winding-up of the Company, subject to the resolution approving the voluntary winding-up of the Company being duly passed;

(vi) the date of the commencement of the winding-up of the Company;

(vii) the date on which the Option is cancelled by the Board as provided in paragraph 19 above; and

(viii) the date on which the conditions of the grant of the Option as determined by the Board under paragraph 4 above have not been satisfied or fulfilled (including, *inter alia*, the failure to satisfy any conditions precedent of grant or the failure to vest the Options or to meet or attain any milestones under the grant).

21. ALTERATION OF SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board save that the provisions of the New Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to extend the class of person eligible for the grant of Options or to the advantage of Grantees or respective Grantees, except with the prior approval of the Shareholders in general meeting. No such alteration shall operate to affect adversely the terms of issue of any Options granted or agreed to be granted prior to such alteration, except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the bye-laws for the time being of the Company for a variation of the rights attached to the Shares. Save as provided in this paragraph, the terms of any Option granted or agreed to be granted may be altered in such manner as may be determined by the Board and notified to the Grantee.

Any alteration to the terms and conditions of the New Share Option Scheme, which is of a material nature or any change to the terms of any Option granted, must be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme. Any amendment or alteration to the terms and conditions of the New Share Option Scheme shall comply with Chapter 17 of the Listing Rules. Any change to the authority of the Board or administrators of the New Share Option Scheme in relation to any alternation to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

22. TERMINATION OF THE SHARE OPTION SCHEME

The Company may by ordinary resolution in general meeting terminate or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme in relation to any outstanding Options shall remain in full force and effect.

Set out below is a summary of certain provisions of the proposed bye laws (the "Bye-laws") of the Company.

(a) DIRECTORS

(i) Power to allot and issue shares and warrants

Subject to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Act 1981 of Bermuda (the "Companies Act"), any preference shares may be issued or converted into shares that are liable to be redeemed, at a determinable date or at the option of the Company or, if so authorised by the memorandum of association of the company (the "Memorandum of Association"), at the option of the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution determine. The board of Directors of the Company (the "board") may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the Bye laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Bye laws relating to the disposal of the assets of the Company or any of its subsidiaries.

Note: The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Bye laws or the Companies Act to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are no provisions in the Bye laws relating to the making of loans to Directors. However, the Companies Act contains restrictions on companies making loans or providing security for loans to their directors, the relevant provisions of which are summarised in the paragraph headed "Bermuda Company Law" in this Appendix.

(v) Financial assistance to purchase shares of the Company

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Bye-laws) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(vi) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Bye laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Bye laws, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the Bye laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or

arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested but this prohibition shall not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;

(dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vii) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or

expected to be incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye law. A Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(viii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Note: There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or, subject to authorisation by the members in general meeting, as an addition to the existing board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director appointed by the board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting 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 and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the board may determine and the board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ix) Borrowing powers

The board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Bye laws in general, can be varied with the sanction of a special resolution of the Company.

(b) ALTERATIONS TO CONSTITUTIONAL DOCUMENTS

The Bye laws may be rescinded, altered or amended by the Directors subject to the confirmation of the Company in general meeting. The Bye laws state that a special resolution shall be required to alter the provisions of the Memorandum of Association, to confirm any such rescission, alteration or amendment to the Bye laws or to change the name of the Company.

(c) ALTERATION OF CAPITAL

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares as the directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;

(v) change the currency denomination of its share capital;

(vi) make provision for the issue and allotment of shares which do not carry any voting rights; and

(vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Companies Act, any share premium account or other undistributable reserve.

(d) VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Bye laws relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons or (in the case of a member being a corporation) its duly authorised representative holding or representing by proxy not less than one third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or (in the

case of a member being a corporation) its duly authorised representative or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

(e) SPECIAL RESOLUTION — MAJORITY REQUIRED

A special resolution of the Company must be passed by a majority of not less than three fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designed Stock Exchange (as defined in the Bye-laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and not less than ten (10) clear business days has been given.

(f) VOTING RIGHTS

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share.

A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Bye laws)) and place as may be determined by the board.

(h) ACCOUNTS AND AUDIT

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or, subject to the Companies Act, at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting.

Subject to the Companies Act, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures; however, to the extent permitted by and subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Bye-laws), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members appoint another auditor. Such auditor may be a member

but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

(i) NOTICES OF MEETINGS AND BUSINESS TO BE CONDUCTED THEREAT

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which it is proposed to pass a special resolution shall (save as set out in sub paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

(j) TRANSFER OF SHARES

All transfers of shares may be effected in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Bye laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Bye laws), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) POWER FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The Bye laws supplement the Company's Memorandum of Association (which gives the Company the power to purchase its own shares) by providing that the power is exercisable by the board upon such terms and conditions as it thinks fit.

(l) POWER FOR ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN THE COMPANY

There are no provisions in the Bye-laws relating to ownership of shares in the Company by a subsidiary.

(m) DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

(n) PROXIES

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

(o) CALL ON SHARES AND FORFEITURE OF SHARES

Subject to the Bye laws and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%)

per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(p) INSPECTION OF REGISTER OF MEMBERS

The register and branch register of members shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the Companies Act.

(q) QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS

For all purposes the quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one third in nominal value of the issued shares of that class.

(r) RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION

There are no provisions in the Bye laws relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Bermuda law, as summarised in paragraph 4(e) of this Appendix.

(s) PROCEDURES ON LIQUIDATION

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) UNTRACEABLE MEMBERS

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Bye laws) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Bye laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the Bye laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(u) OTHER PROVISIONS

The Bye laws provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

The Bye laws also provide that the Company is required to maintain at its registered office a register of directors and officers in accordance with the provisions of the Companies Act and such register is open to inspection by members of the public without charge between 10:00 a.m. and 12:00 noon during business hours.

GOLDPOLY NEW ENERGY HOLDINGS LIMITED
金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 686)

NOTICE IS HEREBY GIVEN that the annual general meeting of Goldpoly New Energy Holdings Limited (the "**Company**") will be held at Academy Room III, 1/F., InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 19 June 2012 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

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 for the year ended 31 December 2011.

2. To re-elect Mr. Lam Ho Fai as executive director of the Company and to authorize the board of directors to fix his remuneration.

3. To re-elect Ms. Lin Xia Yang as executive director of the Company and to authorize the board of directors to fix her remuneration.

4. To re-elect Mr. Chiang Chao-Juei as non-executive director of the Company and to authorize the board of directors to fix his remuneration.

5. To re-elect Mr. Ip Shu Kwan as independent non-executive director of the Company and to authorize the board of directors to fix his remuneration.

6. To authorise the board of directors to fix the directors' remuneration.

7. To appoint PricewaterhouseCoopers as auditors of the Company and to authorise the Board of Directors to fix their remuneration.

8. To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

   A. "**THAT**

      (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) 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 is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise the directors 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 shares capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 Bye-Laws of the Company or any applicable laws of the Bermuda to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in a general meeting.

"Rights Issue" means an offer of shares or an offer of warrants, options or other securities giving right to subscribe for shares, open for a period fixed by the directors of the Company 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 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)."

B. "**THAT**

(a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares in the capital of the Company ("Shares") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases ("Recognised Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as amended from time to time or that of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the Shares purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company, the Companies Act 1981 of Bermuda (as amended), or any applicable laws of the Bermuda to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in a general meeting."

C. "**THAT** conditional upon resolution nos. 8A and 8B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 8B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 8A above."

9. To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

(a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting approval of the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of any options which may be granted under the share option scheme of the Company (the "New Share Option Scheme") (copy of which is produced to this meeting marked "A" and signed by the Chairman of the meeting for the purpose of identification), the rules of the New Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme including but without limitation:

i. to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company (the "Shares");

ii. to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

iii. to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme;

iv. to make application at the appropriate time or times to the Stock Exchange, and any other stock exchange upon which the issued Shares may for the time being be listed, for listing of and permission to deal in any Shares which may from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and

v. to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and

(b) the existing share option scheme (the "Existing Share Option Scheme") for the Company which was adopted by the shareholders of the Company on 10 September 2002 be and is hereby terminated with immediate effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution)."

SPECIAL RESOLUTION

10. To consider and, if thought fit, pass the following resolution as special resolution of the Company:

"**THAT** the new bye-laws of the Company in the form of the document marked "B" and initialed by the chairman of this meeting for the purpose of identification be hereby approved and adopted as the bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect."

By order of the Board
Leung Yuk Lun Eric
Company Secretary

Hong Kong, 18 May 2012

Principal Office:
Room 6301
The Center
99 Queen's Road
Central
Hong Kong

Notes:

(1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more persons to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar, Union Registrars Limited of 18/F Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong together with a power of a attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.

(2) Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

(3) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

(4) Each of the above resolutions will be put forth by way of a poll at the annual general meeting.

* *For identification purpose only*