
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

This circular, for which the board of directors of **Challenger Group Holdings Limited** collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to **Challenger Group Holdings Limited**. The board of directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CHALLENGER GROUP HOLDINGS LIMITED

挑戰者集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND RE-ELECTION OF THE RETIRING DIRECTORS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Challenger Group Holdings Limited to be held at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Thursday, 18th September, 2008 at 10:30 a.m. is set out on pages 14 to 17 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

25th August, 2008

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Thursday, 18th September, 2008 at 10:30 a.m.
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Challenger Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law (Revised) of the Cayman Islands, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	19th August, 2008, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“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 the resolution approving the Repurchase Mandate
“SFO”	Securities and Futures Ordinance
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

CHALLENGER GROUP HOLDINGS LIMITED

挑戰者集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

Executive Directors:

Mr. TSE Chun Sing (*Chairman*)
Mr. YEAP Soon P. (*Chief Executive Officer*)
Mr. WU Kam Hung
Mr. YANG Geyan

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. LIEW Swee Yean
Mr. SIU Siu Ling, Robert
Dr. WONG Yun Kuen

Head Office and Principal Place of Business:

Unit A1, 6th Floor,
Mai Hing Industrial Building,
16-18 Hing Yip Street,
Kwun Tong, Kowloon,
Hong Kong.

25th August, 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and amendments to the Articles, and to seek your approval at the AGM in connection with, inter alia, such matters.

* *For identification purpose only*

LETTER FROM THE BOARD

ISSUE MANDATE

At the annual general meeting held on 29th August, 2007, the Shareholders of the Company passed an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorize the extension of the Issue Mandate. Such Issue Mandate shall be exercisable during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Issue Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first. Details of Issue Mandate and extension of the Issue Mandate are set out in ordinary resolutions numbers 4 and 6 respectively in the notice of AGM.

REPURCHASE MANDATE

Also at the annual general meeting held on 29th August, 2007, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution number 5 in the notice of AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the GEM Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in the Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, Mr. TSE Chun Sing, Mr. YEAP Soon P., Mr. WU Kam Hung, Mr. YANG Geyan, Mr. LIEW Swee Yean, Mr. SIU Siu Ling, Robert and Dr. WONG Yun Kuen.

In accordance with Articles, Mr. TSE Chun Sing and Mr. YANG Geyan shall retire from office at the AGM and, being eligible, would offer themselves for re-election. Mr. WU Kam Hung, Mr. SIU Siu Ling, Robert and Dr. WONG Yun Kuen shall retire from office by rotation at the AGM, and being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES

Your attention is drawn to the special resolution to approve amendment to Article 133(1) of the existing Articles in order to permit the use of machine imprinted securities seal on certificates for shares or other securities issued by the Company.

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and re-election of retiring directors; and special resolution to approve the amendments to the Articles is set out on pages 14 to 17 of this circular.

RIGHT TO DEMAND A POLL

Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the GEM Listing Rules or any other applicable laws, rules or regulation or unless (before or on the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll) a poll is duly demanded:—

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights at such meeting.

A poll which is duly demanded shall then be held in such manner prescribed by the Articles.

Pursuant to Article 66 of Articles, on a show of hands, every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy shall have one vote, and on a poll, every member present in person or by proxy, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid Share held by him. Pursuant to Article 72 of the Articles, a person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the AGM, or any adjourned meeting, should they so wish.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the re-election of the retiring Directors and amendments to the Articles are in the best interests of the Company as well as to the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the resolutions set out in the notice of AGM.

By order of the Board
Challenger Group Holdings Limited
TSE Chun Sing
Chairman

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide you with requisite information for your consideration of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 770,000,000 Shares in issue at the Latest Practicable Date, could result in up to 77,000,000 Shares being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2007/2008 annual report of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders (as defined in the GEM Listing Rules) and their respective interests in the issued Shares:

Name of substantial Shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Plowright Investments Limited (<i>Note 1</i>)	80,000,000	10.39%	11.54%
Harmony Asset Limited (<i>Note 1</i>)	80,000,000	10.39%	11.54%
Cheng Yu Tung (<i>Note 2</i>)	83,826,500	10.89%	12.10%
Grand Pacific Source Limited (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Glimmer Stone Investment Limited (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Oriental Patron Financial Services Group Limited (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Oriental Patron Financial Group Limited (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Zhang Gaobo (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Zhang Zhi Ping (<i>Note 3</i>)	170,000,000	22.08%	24.53%
Gold Master Business Limited (<i>Note 4</i>)	81,000,000	10.52%	11.69%
Wong Wai Keung Dennis (<i>Note 4</i>)	81,000,000	10.52%	11.69%
GEM Global Yield Fund Limited	230,000,000	29.87%	33.19%

Notes:

1. Plowright Investments Limited is a wholly-owned subsidiary of Harmony Asset Limited.
2. The 83,826,500 Shares represent the aggregate of (i) 60,944,000 Shares held by Excel Formation Limited; and (ii) 22,882,500 Shares held by Huge Mars International Limited. Excel Formation Limited and Huge Mars International Limited are wholly-owned by Mr. Cheng Yu Tung.
3. Grand Pacific Source Limited is wholly-owned by Glimmer Stone Investments Limited which is a 43.8% subsidiary of Oriental Patron Financial Services Group Limited, which in turn is 95% subsidiary of Oriental Patron Financial Group Limited. Mr. Zhang Gaobo and Mr. Zhang Zhi Ping are respectively interested in 49% and 51% of Oriental Patron Financial Group Limited.
4. Gold Master Business Limited is wholly-owned by Mr. Wong Wai Keung, Dennis.

In the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, the total interests of the above shareholders would be increased to approximately the respective percentages shown in the last column above.

The Directors believe that such an increase will give rise of GEM Global Yield Fund Limited to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent that an obligation to make a mandatory offer under Takeovers Code may arise. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

5. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

6. SHARE PRICES

The table below is a summary of the highest and lowest traded prices in each of the previous twelve months prior to the Latest Practicable Date.

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2007		
August	0.380	0.220
September	0.400	0.208
October	0.510	0.212
November	0.910	0.520
December	0.570	0.405
2008		
January	0.700	0.400
February	0.950	0.540
March	0.760	0.510
April	0.860	0.570
May	0.780	0.600
June	0.850	0.580
July	0.800	0.730
August (up to the Latest Practicable Date)	0.790	0.570

The following are the particulars of the Directors proposed to be re-elected at the AGM:

EXECUTIVE DIRECTORS

Mr. TSE Chun Sing

Mr. Tse Chun Sing, aged 58, is the Chairman of the Group. He was appointed as an executive director in September 2007. He graduated in the Hong Kong Baptist University. Mr. Tse is the founder of Shougang Concord Technology Holdings Ltd. (formerly known as San Tai Electrical Co. Ltd.) (“Shougang”), a company listed on the Main Board of the Stock Exchange. He was the executive director of Shougang during the period between 1988 and July 2007 and was re-designated as a non-executive director thereafter. Mr. Tse has over 30 years of experience in marketing and management.

There is no proposed length of service of Mr. Tse with the Company. He is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Tse has entered into a director’s service agreement with the Company commencing from 14 September 2007. The service contract may be terminated by either party thereto by giving to the other not less than three months’ prior notice in writing. Mr. Tse is entitled to Director’s fee of HK\$10,000 per month as determined by the remuneration committee of the Company and subject to Shareholders’ approval with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and the Company’s remuneration policy.

Save as disclosed above, Mr. Tse has not held any directorship in listed public companies during the past three years and does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tse was interested in share options of the Company to subscribe for 5,400,000 Shares at an exercise price of HK\$0.69 each (within the meaning of Part XV of SFO), representing approximately 0.7% of the issued share capital of the Company.

Save as disclosed above, Mr. Tse has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. WU Kam Hung

Mr. Wu Kam Hung, aged 47, is the compliance officer of the Group. He was appointed as an executive director in July 2007. He holds a bachelor degree in business administration from the University of East Asia, Macau. Mr. Wu is the financial controller of Guce Technology Park Ltd. He has over 20 years of experience in management accounting, corporate administration and financial management.

There is no proposed length of service of Mr. Wu with the Company. He is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. Wu has entered into a director’s service agreement with the Company commencing from 6 July 2007. The service contract may be terminated by either party thereto by giving to the other not less than three months’ prior notice in writing. Mr. Wu is entitled to Director’s fee of HK\$10,000 per month as determined by the remuneration committee of the Company and subject to Shareholders’ approval with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and the Company’s remuneration policy.

Save as disclosed above, Mr. Wu has not held any directorship in listed public companies during the past three years and does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wu was interested in share options of the Company to subscribe for 5,400,000 Shares at an exercise price of HK\$0.69 each (within the meaning of Part XV of SFO), representing approximately 0.7% of the issued share capital of the Company.

Save as disclosed above, Mr. Wu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. YANG Geyan

Mr. Yang Geyan, aged 40. Graduated from Shanghai Lixin Accounting Institute, Mr. Yang is also a EMBA degree holder of Phoenix International University. He engaged in financial work in Shanghai Marine Transportation Bureau before 1995. He has been the director of Shanghai Hastings Investment Management Co., Ltd. and Shanghai Hastings Real Estate Development Co., Ltd. since 2000 and he was responsible for real estate development, sale and lease. Mr. Yang was one of the founders of Inner Mongolia Yong Feng Wei Ye Industry and Commerce Development Group Co., Ltd. and was named Managing Director since December 2004. Such company mainly participated in the purchase of different types of mineral resources in Inner Mongolia which is currently the holder of ten or so ore production permits and ore exploration permits and explores mineral resources like iron, manganese, lead, zinc, gold, tungsten, fluorite and erbium.

There is no service contract entered into between the Company and Mr. Yang and no proposed length of service of Mr. Yang with the Company. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the articles of association of the Company. He is not entitled to receive any fee from the Company.

Save as disclosed above, Mr. Yang has not held any directorship in listed public companies during the past three years and does not have any relationship with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS**Mr. SIU Siu Ling, Robert**

Mr. Siu Siu Ling, Robert, aged 56, was appointed as an independent non-executive director of the Company on 1st January 2004 under a service contract commencing of the same date for a term of one year and thereafter may be extended for such period as the Company and Mr. Siu may agree in writing.

Mr. Siu is a partner of the firm Messrs. Robert Siu & Co., Solicitors. He has been an executive director of Maxx Bioscience Holdings Limited until 28 June 2006 and is now an independent non-executive director of Incutech Investments Limited, both of which are listed on the Main Board of the Stock Exchange. Mr. Siu holds a bachelor degree in laws and a postgraduate certificate in laws. He has been a solicitor of Hong Kong since 1992 and has been admitted as solicitor of England and Wales since 1993. His practice is mainly in the field of commercial and corporate finance.

The directorship of Mr. Siu is subject to retirement by rotation and re-election at general meetings in accordance with the Articles. Mr. Siu's director's fee is fixed at HK\$25,000 per annum, which is commensurate with his duties and responsibilities as independent non-executive director and member of audit committee of the Company and the prevailing market situation and subject to Shareholders' approval. Mr. Siu had not previously held and is not holding any position with Company and its subsidiaries. He does not have relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company for the purpose of the GEM Listing Rules.

As at the Latest Practicable Date, Mr. Siu was interested in share options of the Company to subscribe for 540,000 Shares at an exercise price of HK\$0.69 each (within the meaning of Part XV of the SFO), representing approximately 0.07% of the issued share capital of the Company.

Save as disclosed above, Mr. Siu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Dr. WONG Yun Kuen

Dr. Wong Yun Kuen, aged 50, was appointed as an independent non-executive director of the Company on 30th September 2004 under a service contract commencing of the same date for a term of one year and thereafter may be extended for such period as the Company and Dr. Wong may agree in writing.

Dr. Wong received his Ph.D. Degree from Harvard University, and was a “Distinguished Visiting Scholar” in finance at the Wharton School of University of Pennsylvania. He has worked in financial industries in the United States and Hong Kong for more than 10 years, and has considerable experience in Corporate Finance, Investment and Derivative Products. He is a member of Hong Kong Securities Institute. Dr. Wong is also an executive director of UBA Investments Limited, and independent non-executive director of Grand Field Group Holdings Limited, Harmony Asset Limited, Bauhaus International (Holdings) Limited, Climax International Company Limited, China Yunnan Tin Minerals Group Company Limited, Superb Summit International Timber Company Limited, Kong Sun Holdings Limited, ProSticks International Holdings Limited and Golden Resorts Group Limited. All the aforesaid companies are listed on the Main Board of the Stock Exchanges.

The directorship of Dr. Wong is subject to retirement by rotation and re-election at general meetings in accordance with the Articles. Dr. Wong’s director’s fee is fixed at HK\$25,000 per annum, which is commensurate with his duties and responsibilities as independent non-executive director and member of audit committee of the Company and the prevailing market situation and subject to Shareholders’ approval. Dr. Wong had not previously held and is not holding any position with Company and its subsidiaries. He does not have relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company for the purpose of the GEM Listing Rules.

As at the Latest Practicable Date, Dr. Wong was interested in share options of the Company to subscribe for 540,000 Shares at an exercise price of HK\$0.69 each (within the meaning of PartXV of the SFO), representing approximately 0.07% of the issued share capital of the Company.

Save as disclosed above, Dr. Wong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

CHALLENGER GROUP HOLDINGS LIMITED

挑戰者集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Thursday, 18th day of September, 2008 at 10:30 a.m. for the following purposes:–

1. To receive and consider the financial statements and the report of the directors and independent auditor's report for the year ended 31st March, 2008.
2. To re-elect retiring directors and to authorize the board of directors to fix the remuneration of directors.
3. To re-appoint auditors and to authorize the board of directors to fix the remuneration of auditors.
4. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:–

“THAT:–

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing 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 law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions 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).”

NOTICE OF ANNUAL GENERAL MEETING

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

“**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 repurchase shares of HK\$0.01 each in the capital of the Company on the Growth Enterprise Market of the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules (as defined in ordinary resolution in item 4 of the notice convening the meeting) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:–

“**THAT** subject to the passing of Resolutions in items 4 and 5 of the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution in item 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution in item 5 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:–

“**THAT** the article 133(1) of the Articles of Association of the Company be and is hereby amended by adding the following words before the last sentence:–

“The Board may by resolution determine that the affixation of securities seal on any certificates for shares or debentures or other securities of the Company be dispensed with or the securities seal be mechanically imprinted on any certificates for shares, debentures or other securities of the Company.””

By Order of the Board
LEUNG Ngar Yee
Secretary

Dated the 25th day of August, 2008.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong branch share registrars of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely, Mr. TSE Chun Sing, Mr. YANG Geyan, Mr. WU Kam Hung, Mr. SIU Siu Ling, Robert and Dr. WONG Yun Kuen be re-elected as directors of the Company. Details of these Directors are set out in Appendix II to the Company’s circular to shareholders.
4. An explanatory statement as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under ordinary resolution in item 5 above is set out in Appendix I to the Company’s circular to shareholders.
5. The 2008 Annual Report containing, inter alia, the financial statements and the report of the directors and independent auditor’s report for the year ended 31st March, 2008 has despatched to shareholders of the Company on 30th June, 2008. The 2008 Annual Report is available for download on the website of the Company at www.challenger.com.hk.
6. As at the date of this notice, the Board comprises four executive directors, namely, Mr. TSE Chun Sing, Mr. YEAP Soon P., Mr. WU Kam Hung and Mr. YANG Geyan and three independent non-executive directors, namely, Mr. LIEW Swee Yean, Mr. SIU Siu Ling, Robert and Dr. WONG Yun Kuen.