
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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **CHALLENGER GROUP HOLDINGS LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

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 INVOLVING
CHANGE OF NAME OF THE COMPANY
AND
ADOPTION OF NEW CHINESE NAME OF THE COMPANY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of Challenger Group Holdings Limited to be held at The 27/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, 27th February, 2009, at 10:00 a.m. is set out on pages 5 and 6 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited the branch Share Registrars of the Company in Hong Kong at Shops 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least seven days from its date of its posting.

Hong Kong, 3rd February, 2009

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. 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.

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Change of name of the Company	2
2. Adoption of new Chinese name of the Company	3
3. Effect on change of the company name and adoption of new Chinese name of the Company	3
4. Extraordinary general meeting	4
5. Recommendation	4
 Notice of Extraordinary General Meeting	5-6

DEFINITIONS

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

“Board”	the board of Directors
“Companies Law”	the Companies Law of the Cayman Islands for the time being in force
“Company”	Challenger Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, with its Shares listed on the GEM Board of the Stock Exchange
“Directors”	the directors of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 27/F1., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, 27th February, 2009 at 10:00 a.m. notice of which is set out on pages 5 and 6 of this circular
“GEM”	the Growth of Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China.
“Shareholder(s)”	holder(s) of Share(s)
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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:

CHAN Nap Kee, Joseph (*Chairman*)

YEAP Soon P, Jonathan

CHOW Pok Yu, Augustine

WU Kam Hung

YANG Geyan

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Director:

LIEW Swee Yean

SIU Siu Ling, Robert

WONG Yun Kuen

Head office and principal place

of business:

Unit 2701, 27/F1.

Two Exchange

8 Connaught Place

Central, Hong Kong

Hong Kong, 3rd February, 2009

To shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING
CHANGE OF NAME OF THE COMPANY
AND
ADOPTION OF NEW CHINESE NAME OF THE COMPANY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. CHANGE OF NAME OF THE COMPANY

Reference is made to the announcement made by the Company dated 11th June, 2008 relating to acquisition of the entire issued shares of Joy Harvest Holdings Limited (“Joy Harvest”).

* *For identification purposes only*

LETTER FROM THE BOARD

The Group through the acquisition of 100% entire issued share capital of Joy Harvest to control (i) a 49% interest in Inner Mongola Mengxi Minerals Limited (“Mengxi Minerals”). A Sino-foreign joint venture company set up to own and operate a coal mine with 99.6 million tones of reserve (based on estimation under the PRC coal reserves standard); and (ii) a 70% stake in Ordos GEM Coal & Chemical Co., Limited (another Sino-foreign joint venture company established to build and operate coal processing plants).

To better describe the nature of business of the Group, the Directors propose that the name of the Company be changed from “CHALLENGER GROUP HOLDINGS LIMITED 挑戰者集團控股有限公司*” to “KAISUN ENERGY GROUP LIMITED”. The Special Resolution no.1 will be proposed at the Extraordinary General Meeting for the Shareholders to consider and, if thought fit, approve such change of name.

The proposed change of name of the Company will be subject to the approval of the Shareholders. After the Special Resolution no.1 is passed at the Extraordinary General Meeting, the Company will carry out the necessary filing procedures with the Registrar of Companies in the Cayman Islands and with the Registrar of Companies in Hong Kong.

2. ADOPTION OF NEW CHINESE NAME OF THE COMPANY

The Directors also propose to adopt “凱順能源集團有限公司” for identification purpose only, as the new Chinese name of the Company.

The proposed adoption of new Chinese name of the Company will be subject to the passing of the Special Resolution nos. 1 and 2 by the Shareholders at the Extraordinary General Meeting. Upon the registration of the new Chinese name with the Registrar of Companies in Hong Kong, the adoption of the new Chinese name will become effective. The Company will apply for registration of the Chinese company name with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance once the Special Resolution no.2 is passed at the Extraordinary General Meeting.

3. EFFECT ON CHANGE OF THE COMPANY NAME AND ADOPTION OF NEW CHINESE NAME OF THE COMPANY

The effective date of the proposed change of name will be the date on which the Special Resolution no.1 is passed by the Shareholders and the effective date of the adoption of new Chinese name will be the date on which the new Chinese name is registered on the Registrar of Companies in Hong Kong under Part XI of the Hong Kong Companies Ordinance. The English and Chinese stock short name of the Company will also be changed as soon as practicable.

* *For identification purposes only*

LETTER FROM THE BOARD

Upon the proposed change of name and adoption of the new Chinese name becoming effective, all existing share certificates in issue bearing the existing name of the Company will continue to be evidence of title and will continue to be valid for trading, settlement and delivery for the same number of Shares in the new proposed name of the Company and the rights of any Shareholders will not be affected. Once the proposed change of name becomes effective, any issues of share certificates of the Company thereafter will be in the new name of the Company and the securities of the Company will be traded on the Stock Exchange in the new name. However, there will be no special arrangement for free exchange of the existing share certificates of the Company for new share certificates printed in the Company's new name. Should any Shareholders desire to exchange their existing share certificates for share certificates in the new name of the Company, they may do so on payment of a fee of HK\$2.50 for each new certificate (or such higher amount as may from time to time be allowed by the Stock Exchange).

A further announcement regarding the change of name and stock short name will be made when the proposed change of company name and adoption of the new Chinese name of the Company become effective.

4. EXTRAORDINARY GENERAL MEETING

The notice of the Extraordinary General Meeting, which contains special resolutions to approve the change of name of the Company and to adopt the new Chinese name of the Company is set out on pages 5 and 6 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited, the branch share registrars of the Company in Hong Kong at Shops 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.

Pursuant to 17.47(4) of GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll and the issuer must announce the results of the poll in the manner prescribed under rule 17.47(5).

5. RECOMMENDATION

The Directors believe that the proposals referred to in this circular are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the special resolutions to be proposed at the Extraordinary General Meeting.

Yours faithfully,
Chan Nap Kee, Joseph
Chairman

NOTICE OF EXTRAORDINARY 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 an extraordinary general meeting of the Company will be held at 27/F1., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, 27th February, 2009, at 10:00 a.m for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

1. **“THAT** the name of the Company be changed to:

KAISUN ENERGY GROUP LIMITED

and **THAT** the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion, deem fit, to effect and implement the change of name of the Company.”

2. **“THAT** conditional upon passing of the resolution no. 1 above, “凱順能源集團有限公司” be adopted, for identification purpose only, as the new Chinese name of the Company and **THAT** such Chinese name be filed and/or registered with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion, deem fit, to effect and implement such adoption of Chinese name of the Company.”

By Order of the Board

Leung Lit For

Secretary

Dated the 3rd February, 2009.

* *For identification purpose only*

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 on his behalf. A proxy need not be a member of the Company but must attend the meeting in person to represent the 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 at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. Completion and delivery of the proxy form will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. As at the date of this notice, the Board comprises five executive directors, namely, Mr. Chan Nap Kee, Joseph, Mr. Yeap Soon P Jonathan, Dr. Chow Pok Yu, Augustine, Mr. Yang Geyan and Mr. WU Kam Hung and four independent non-executive directors, namely, Mr. ANDERSON Brian Ralph, Mr. LIEW Swee Yean, Mr. SIU Siu Ling, Robert and Dr. Wong Yun Kuen.