
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 **Kaisun Energy Group 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.

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This circular, for which the board of directors of **Kaisun Energy Group 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 **Kaisun Energy Group 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.

KAISUN ENERGY GROUP LIMITED **凱順能源集團有限公司***

(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 REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME AND AMENDMENTS TO ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Kaisun Energy Group Limited to be held at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Friday, 31 July 2009 at 10:30 a.m. is set out on pages 32 to 41 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.

30 June 2009

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher 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.

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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 Friday, 31 July 2009 at 10:30 a.m.
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Kaisun Energy Group Limited, an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Existing Scheme Limit”	the existing Scheme Mandate, being 10% of the issued share capital of the Company as at 20 January, 2004, being the date on which the dealings in the Shares first commenced on the Stock Exchange
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate to the Directors 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”	30 June 2009, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“Notice of AGM”	the notice of the AGM as set out on pages 32 to 41 of this circular
“Participants”	the eligible participants of the Share Option Scheme in accordance with the rules of the Share Option Scheme
“Repurchase Mandate”	the general and unconditional mandate to the Directors to exercise the powers 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
“Scheme Mandate”	the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company, being 10% of the Company’s issued share capital as at the date on which the dealings in the Shares first commenced on the Stock Exchange, which may be “refreshed” on and pursuant to the rules of the Share Option Scheme
“SFO”	the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong
“Shareholder(s)”	registered holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 9 December 2003
“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

KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8203)

Executive Directors:

Mr. CHAN Nap Kee, Joseph (*Chairman*)
Mr. YEAP Soon P, Jonathan (*Chief Executive Officer*)
Dr. CHOW Pok Yu, Augustine
Mr. WU Kam Hung
Mr. YANG Geyan
Mr. YANG Yongcheng

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
Mr. ANDERSON Brian Ralph

*Head Office and Principal Place
of Business in Hong Kong:*

5/F
31C-D Wyndham Street
Central
Hong Kong

30 June 2009

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
REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF
OPTIONS UNDER THE SHARE OPTION SCHEME
AND
AMENDMENTS TO 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 Mandate, the re-election of the retiring Directors and refreshment of the Scheme Mandate, the 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 AND EXTENSION MANDATE

At the annual general meeting held on 18 September 2008, the Shareholders of the Company passed an ordinary resolution to grant a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate 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 the Extension Mandate. The Issue Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles 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 the Issue Mandate and the Extension Mandate are set out in ordinary resolutions number 4 and 6 respectively in the Notice of AGM.

As at the Latest Practicable Date, a total of 770,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 154,000,000 Shares.

REPURCHASE MANDATE

Also at the annual general meeting held on 18 September 2008, the Shareholders passed an ordinary resolution to grant a general mandate to the Directors to exercise the powers of the Company to repurchase 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 Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

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

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of ten Directors, Mr. CHAN Nap Kee Joseph, Mr. YEAP Soon P Jonathan, Dr. CHOW Pok Yu Augustine, Mr. WU Kam Hung, Mr. YANG Geyan, Mr. YANG Yongcheng, Mr. LIEW Swee Yean, Mr. SIU Siu Ling Robert, Dr. WONG Yun Kuen and Mr. ANDERSON Brian Ralph.

LETTER FROM THE BOARD

In accordance with the Articles, Mr. CHAN Nap Kee Joseph, Dr. CHOW Pok Yu Augustine, Mr. YANG Yongcheng and Mr. ANDERSON Brian Ralph shall retire from office at the AGM and, being eligible, would offer themselves for re-election. Mr. LIEW Swee Yean, Mr. YEAP Soon P Jonathan and Mr. YANG Geyan 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.

REFRESHMENT OF THE SCHEME MANDATE

Pursuant to the written resolution of the then Shareholders passed on 9 December 2003, the Share Option Scheme was adopted. The purpose of the Share Option Scheme is to provide the Participants, which include employees of the Group, with the opportunity to acquire equity interests in the Company and to encourage the Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Pursuant to Chapter 23 of the GEM Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The GEM Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

Pursuant to the Existing Scheme Limit, the Directors may grant options not exceeding 54,000,000 Shares, representing 10% of the issued share capital of the Company as at 20 January 2004, being the date on which dealings in the Shares first commenced on the Stock Exchange. As at the Latest Practicable Date, options carrying the rights to subscribe for 54,000,000 Shares have been granted to the grantees under the Share Option Scheme, none of such options have been exercised, and 995,000 of such options have lapsed. As at the Latest Practicable Date, 53,005,000 options remained outstanding (representing approximately 98.16% of the Existing Scheme Limit). Accordingly, the Directors can only grant further options carrying the rights to subscribe for 995,000 Shares (representing approximately 1.84% of the Existing Scheme Limit) under the Existing Scheme Limit.

LETTER FROM THE BOARD

The Directors consider that the Company should refresh the Scheme Mandate so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Scheme Mandate is approved at the AGM, based on the 770,000,000 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the AGM, the Company will be allowed under the refreshed Scheme Mandate to grant options carrying the rights to subscribe for up to a total of 77,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM.

Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12-month period up to and including the respective dates of grant as set out in Rule 23.03(4) of the GEM Listing Rules.

As at the Latest Practicable Date, the total number of Shares which may fall to be issued upon the exercise of all outstanding options granted under the Share Option Scheme is 53,005,000, representing approximately 6.88% of the Shares in issue as at the Latest Practicable Date. If the refreshment of the Scheme Mandate is approved at the AGM, the existing outstanding options granted under the Existing Scheme Limit and the options to be granted under the refreshed Scheme Mandate will not in aggregate exceed 30% of the issued share capital of the Company.

The Directors consider that the refreshment of the Scheme Mandate is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Share Option Scheme.

The refreshment of the Scheme Mandate is conditional upon:

- (i) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate at the AGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the AGM.

Application has been made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the AGM.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES

In light of the recent amendments to the GEM Listing Rules effective on 1 January 2009, the Directors propose to amend the Articles to give effect to the following:

- (a) notice to the Shareholders shall be sent in the case of annual general meetings at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings;
- (b) all resolutions at general meetings of the Company shall be decided by poll;
- (c) consequential amendments to the Articles as results of the amendments mentioned in (a) and (b) above and other tidying up amendments.

Details of the proposed amendments to the Articles are set out in Appendix III to this circular and the special resolution number 8 in the Notice of AGM.

AGM

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of the retiring Directors, the amendments to the Articles and the refreshment of the Scheme Mandate is set out on pages 32 to 41 of this circular.

ACTION TO BE TAKEN

The Notice of AGM is set out on pages 32 to 41 of this circular. 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.

VOTING BY POLL

Under Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the AGM will also be taken by poll. A poll results announcement will be made by the Company after the AGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the retiring Directors, the refreshment of the Scheme Mandate and the 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
Kaisun Energy Group Limited
CHAN Nap Kee, Joseph
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. GEM LISTING RULES RELATING TO REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. EXERCISE OF THE REPURCHASE MANDATE

Subject to the passing of the resolution granting the Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the AGM, 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 in general meeting, whichever occurs first.

3. 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 as a whole. 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.

4. 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. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account. 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.

5. 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 Company's latest published audited financial statements for the year ended 31 March 2009) 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 sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

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, to the best of the knowledge and belief of the Directors, Grand Pacific Source Limited (a wholly-owned subsidiary of Glimmer Stone Investments Limited which is 43.8% owned by Oriental Patron Financial Services Group Limited (a 95% subsidiary of Oriental Patron Financial Group Limited)) and Pacific Top Holding Limited (a wholly-owned subsidiary of Oriental Patron Financial Services Group Limited) had an aggregate interests of approximately 22.08% of the issued share capital of the Company.

On the basis that there were 770,000,000 Shares in issue as at the Latest Practicable Date and assuming that there are no issue or repurchase of Shares prior to the date of the AGM, if the Repurchase Mandate were exercised in full, the aggregate shareholding of Grand Pacific Source Limited and Pacific Top Holding Limited would increase to approximately 24.53% of the issued share capital of the Company.

On the above basis, the exercise of the Repurchase Mandate in full would not trigger any general offer obligation on the part of Grand Pacific Source Limited and Pacific Top Holding Limited under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

6. 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.

7. SHARE PRICES

The table below is a summary of the highest and lowest prices at which Shares are traded on the Stock Exchange in each of the previous twelve calendar months prior to the Latest Practicable Date.

	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2008		
June	0.85	0.58
July	0.80	0.73
August	0.79	0.57
September	0.65	0.27
October	0.48	0.32
November	0.40	0.28
December	0.43	0.30
2009		
January	0.41	0.275
February	0.37	0.28
March	0.385	0.295
April	0.355	0.265
May	0.42	0.28
June	0.81	0.41

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

Mr. CHAN Nap Kee, Joseph

Mr. CHAN Nap Kee, Joseph, aged 48, is the Chairman of the Group. He was appointed as an executive Director in September 2008. He received his master's degree majoring in international marketing from the University of Strathclyde and a diploma in China Investment and Trade Study from Peking University. He holds licenses respectively of Type 1 (dealing in securities), Type 6 (advising on corporate finance), and Type 9 (asset management) under the SFO. Mr. CHAN was the deputy manager of Credit Agricole Bank from 1986 to 1994, where he was also in charge of the bank's China business. From 1992 to 1994, he was also the co-head of Credit Agricole Asset Management South East Asia Limited. Mr. CHAN has more than twenty years of experience in commercial and investment banking, and asset management. Mr. CHAN is a non-executive director of Hainan Meilan International Airport Company Limited (stock code: 357), a company listed on the Main Board of the Stock Exchange, since October 2007.

From 1994 to now, Mr. CHAN has been an executive director of Oriental Patron Asia Limited, the investment manager of OP Financial Investments Limited (Stock Code: 1140), a company listed on the Main Board of the Stock Exchange. OP Financial Investments Limited holds 100% shareholding in Profit Raider Investments Limited. Profit Raider Investments Limited holds 29.9% of the total ordinary shares in Glimmer Stone Investments Limited. Glimmer Stone Investments Limited holds 100% shareholding in Grand Pacific Source Limited. Grand Pacific Source Limited owns 110,727,250 Shares in the Company and is a substantial Shareholder of the Company. Mr. CHAN has been a director of Grand Pacific Source Limited since May 2008 and Glimmer Stone Investments Limited since June 2008.

The Securities and Futures Commission (the "Commission") had suspended the above licences granted to Mr. CHAN under the SFO for four (4) months from 30 October 2003 to 29 February 2004 as a result of his failure to have regard to the Guidance Note issued by the Commission on the Prevention of Money Laundering then in force when he was acting as the principal supervisor of a sponsor to the listing of a company on GEM in April 2001. Mr. CHAN has confirmed that save as disclosed above, there has never been any other regulatory actions, including but not limited to suspension of licence, public or private reprimand, warning letters etc. against him or any of those companies (both private and public companies) in which Mr. CHAN is presently serving and/or in which he has served as a director during the period of his directorship.

No service contract has been entered into between the Company and Mr. CHAN and there is no proposed length of service of Mr. CHAN with the Company. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He is not entitled to receive any director's fee from the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. CHAN did not have other major appointments and professional qualifications, did not hold any positions in the Group and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, Mr. CHAN did 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. As at the Latest Practicable Date, Mr. CHAN was interested in share options of the Company with the right to subscribe for 4,925,000 Shares at an exercise price of HK\$0.394 each, representing approximately 0.64% of the issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. CHAN did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

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

Mr. YEAP Soon P, Jonathan

Mr. YEAP Soon P, Jonathan, aged 47, is the Chief Executive Officer of the Group. He was appointed as an executive Director in February 2008. He has over 25 years' experience in energy and natural resources industries. He has led the expansion of a number of United States companies into the Asia Pacific especially China.

Mr. YEAP was the chief executive officer of the China region and the managing director of the Asia Pacific region of Enron Corporation, a global energy group, from 1997 to 2001. During this period, he was instrumental in the developments, constructions and acquisitions of over 20 companies in upstream oil and gas exploration and downstream power plants and natural gas distribution.

From 1993 to 1996, Mr. YEAP was the chief executive officer of a subsidiary of a large oil, gas, coal and power company in the United States. During this period, he had the management oversight for its China operations.

From 1992 to 1993, Mr. YEAP was a project director of a large United States power generating company assigned to the PRC. He was the lead developer for a foreign-invested integrated coal mine, power plant, DC transmission line project transporting electricity from Shanxi province, the PRC to Jiangsu province/Shanghai, the PRC.

From 1983 to 1992, Mr. YEAP held various engineering and financial positions with a Canadian company specializing in development, construction, and operation of independent power plants worldwide.

Mr. YEAP holds a bachelor's degree in electrical engineering from the University of Alberta.

Mr. YEAP is subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles. Mr. YEAP has entered into a director's service agreement with the Company commencing on 10 June 2008 for a term of three years. The service contract may be terminated by the Company in accordance with the terms of the service agreement. Mr. YEAP is entitled to Director's remuneration together with housing allowance of HK\$4,200,000 per annum together with other benefits as determined by the remuneration committee of the Company and subject to Shareholders' approval with reference to

his duties and responsibilities with the Company's performance and the prevailing market situation and the Company's remuneration policy. Due to the global financial crises in late 2008, Mr. YEAP deferred to receive his remuneration and housing allowance accrued as from August 2008. The deferred remuneration and housing allowance will be paid back to Mr. YEAP until the rebound of the economy or as agreed between the Board and Mr. YEAP. As at the Latest Practicable Date, the outstanding remuneration and allowance amounted to approximately HK\$3,759,997.

Save as disclosed above, as at the Latest Practicable Date, Mr. YEAP did not have other major appointments and professional qualifications, did not hold any positions in the Group and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, Mr. YEAP did 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. As at the Latest Practicable Date, Mr. YEAP was interested in share options of the Company with the right to subscribe for 7,700,000 Shares at an exercise price of HK\$0.78 each, representing approximately 1.00% of the issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. YEAP did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters relating to the appointment of Mr. YEAP as an executive Director that is required to be brought to the attention of the Shareholders in connection with his re-election and there is no other information which is required to be disclosed under Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Dr. CHOW Pok Yu, Augustine

Dr. CHOW Pok Yu, Augustine, aged 56, was appointed as an executive Director in November 2008. He is a director of Harmony Asset Limited (stock code: 0428), a publicly listed investment company specializing in China and Hong Kong and the shares of which are listed on the Stock Exchange. He is also a director of Harmony Asset Management Limited which is the investment manager of Harmony Asset Limited. Dr. CHOW is a non-executive director of Jian ePayment Systems Ltd. (stock code: 8165) the shares of which are listed on the GEM. He is also a director and independent director of two overseas listed companies namely Celsion Corporation (AMEX: CLN) and Augyva Mining Resources Inc. (CDNX: AUV.V) respectively.

Dr. CHOW has vast experience in managing public listed companies that are involved in manufacturing, marketing and financial services, and specializes in mergers and acquisitions.

Dr. CHOW holds professional membership in the Institute of Marketing (HK), Institute of Financial Accountants (UK), and Hong Kong Securities Institute. He also holds an Honorary Fellowship from Bolton University. In addition, he serves on the Regional Advisory Board of London Business School.

Dr. CHOW's qualifications include a number of bachelor's, master's and doctoral degrees. Among them include a MSc from London Business School, a PhD in the Transfer of Technology from the University of South Australia, a DBA in Internet Research from Southern Cross University, and an Engineering Doctorate in the Commercialization of Radical Innovation from City University of Hong Kong.

Save as disclosed above, as at the Latest Practicable Date, Dr. CHOW did not have other major appointments and professional qualifications, did not hold any positions in the Group and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. CHOW is interested in 30% of the issued shares of Sino Path Consultants Limited which is interested in 18.46% of the issued share capital of Harmony Asset Limited. Plowright Investments Limited, one of the substantial Shareholders holding 80,000,000 Shares, is a wholly-owned subsidiary of Harmony Asset Limited. Save as disclosed above, Dr. CHOW is not connected with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company within the meaning of the GEM Listing Rules.

No service contract has been entered into between the Company and Dr. CHOW and there is no proposed length of service of Dr. CHOW with the Company. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He is not entitled to receive any director's fee from the Company.

Save as disclosed above, Dr. CHOW did 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, Dr. CHOW was interested in share options of the Company with the right to subscribe for 4,925,000 Shares at an exercise price of HK\$0.394 each, representing approximately 0.64% of the issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Dr. CHOW did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

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

Mr. YANG Geyan

Mr. YANG Geyan, aged 41. He was appointed as an executive Director in August 2008. Mr. YANG studied in the Shanghai Lixin Accounting Institute in 2001. Mr. YANG is also a holder of EMBA degree from Phoenix International University. He engaged in financial work in Shanghai Marine Transportation Bureau before 1995. He has been a 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. ("Inner Mongolia Development Co.") and has been named as its managing director since December 2004.

No service contract has been entered into between the Company and Mr. YANG and there is no proposed length of service of Mr. YANG with the Company. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He is not entitled

to receive any director's fee from the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. YANG did not have other major appointments and professional qualifications, did not hold any positions in the Group and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, Mr. YANG did 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. As at the Latest Practicable Date, Mr. YANG was interested in 9,800,000 Shares, representing approximately 1.27% of the issued share capital of the Company and share options of the Company with the right to subscribe for 4,925,000 Shares at an exercise price of HK\$0.394 each, representing approximately 0.64% of the issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. YANG did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

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

Mr. YANG Yongcheng

Mr. YANG Yongcheng, aged 40. He was appointed as an executive Director in February 2009. He graduated from the Yikezhao League School of Finance (伊盟財經學校) in Inner Mongolia of the PRC and the China Central Radio & TV University, majoring in financial accounting. He is currently studying at the Zhongnan University of Economics and Law, majoring in EMBA.

Mr. YANG was appointed as the chief of the finance division of Inner Mongolia Hangjinqi Materials Company (內蒙古杭錦旗物資公司) in September 1989; a manager of Eqianqi Coke-oven Plant of Inner Mongolia Yimei Group (內蒙古伊煤集團鄂前旗焦化廠) in January 2001; a deputy general manager of Inner Mongolia Mengxi Building Materials Company (內蒙古蒙西建材公司) in July 2003; the chairman of Inner Mongolia Mengxi Kaolin Co., Ltd. in August 2005; and the chairman and general manager of Inner Mongolia Mengxi Coal Limited (內蒙古蒙西煤炭有限公司) in January 2008. He has been serving as a director and general manager of the joint venture Inner Mongolia Mengxi Minerals Co., Limited since the joint venture was established in September 2008.

Mr. YANG has been involved in senior positions for corporate management for a long period of time, has profound knowledge of the human and economic development environment in the Mengxi region of Inner Mongolia of the PRC, and possesses extensive experience in corporate investment, product and market development as well as operation of minerals enterprises.

No service contract has been entered into between the Company and Mr. YANG and there is no proposed length of service of Mr. YANG with the Company. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He is not entitled to receive any director's fee from the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. YANG did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, Mr. YANG did not hold any position with the Company and other members of the Group and did not have any relationship with any directors, senior management, management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. YANG did not have any interests in shares of the Company within the meaning of Part XV of the SFO.

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

Mr. LIEW Swee Yeap

Mr. LIEW Swee Yeap, aged 46. He was appointed as an independent non-executive Director on 8 November 2006 under a service contract commencing on the same date for a term of one year and thereafter may be extended for such period as the Company and Mr. LIEW may agree in writing. Mr. LIEW had been an independent non-executive director of Rontex International Holdings Limited (Stock Code: 1142), the shares of which are listed on the GEM. He is a director of Autism Recovery Network Limited. He is also the director of business development of eBroker Systems Limited.

Mr. LIEW is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. LIEW holds a Master of Business Administration (Executive) Degree from the City University of Hong Kong. Mr. LIEW is also appointed the chairman of the audit committee and a member of the remuneration committee of the Board. Mr. LIEW satisfies the criteria as set out in Rule 5.05(2) of the GEM Listing Rules.

Mr. LIEW is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. LIEW's director's fee is fixed at HK\$25,000 per annum, which is commensurate with his duties and responsibilities as an independent non-executive Director of the Company and the prevailing market situation and subject to Shareholders' approval. Save as disclosed above, Mr. LIEW did not hold any position within the Group as at the Latest Practicable Date. Save as disclosed above, he did 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.

Save as disclosed above, as at the Latest Practicable Date, Mr. LIEW did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. LIEW was interested in share options of the Company with the right to subscribe for 540,000 Shares at an exercise price of HK\$0.69 each, representing approximately 0.07% of the issued share capital of the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. LIEW did not have any interest in shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, Mr. LIEW has confirmed that there is no other matter relating to the re-election of Mr. LIEW that is required to be brought to the attention of the Shareholders and there is no other information required to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. ANDERSON Brian Ralph

Mr. ANDERSON Brian Ralph, aged 66. He was appointed as an independent non-executive Director on 23 January 2009 under a service contract commencing on the same date for a term of one year and thereafter may be extended for such period as the Company and Mr. ANDERSON may agree in writing.

Mr. ANDERSON holds a Bachelor of Science Degree in Metaliferous Mining Engineering from the Camborne School of Mines, the University of Exeter and a Master of Science Degree in Petroleum Reservoir Engineering from the University of London.

Mr. ANDERSON has more than 30 years of experience in mining and resources industries. During his tenure as a Chairman of Royal Dutch/Shell Group of Companies (“the Shell”) in North East Asia, he was responsible for developing the Shell’s future business, in particular through the formation of important strategic alliances with two of the major state-owned Chinese petroleum corporations, which have since led to multi-billion dollar investment commitments in the petroleum and petrochemicals sectors in China, including important new business opportunities in coal gasification.

Mr. ANDERSON’s China experience also includes a 6-year involvement with the prestigious China Council for International Co-operation on the Environment and Development and which includes Ministerial and Vice-Ministerial level appointees from within the PRC government, and top-level international members from government and global multilateral organization and businesses. He represented the Shell’s group of companies as a council member for 4 years, and has participated as a member of two taskforces involved with energy and sustainable development policy for China.

Mr. ANDERSON is a founding member and a director of Acura Limited, a Hong Kong registered energy marketing and consulting firm, a director of the Addax Petroleum Corporation, a oil and gas exploration and production company registered in Canada, and is currently the Chairman and Managing Director of Anderson Energy (Hong Kong) Limited, an energy consulting firm advising corporate clients globally.

Mr. ANDERSON is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. ANDERSON’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, member of the audit committee and the remuneration committee of the Board and the prevailing market situation and subject to Shareholders’ approval. Save as disclosed, Mr. ANDERSON did not hold any position within the Group as at the Latest Practicable Date. Save as disclosed, he did 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.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, as at the Latest Practicable Date, Mr. ANDERSON did not have other major appointments and professional qualifications and did not have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, Mr. ANDERSON did not have any interest in the Shares within the meaning of Part XV of the SFO.

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

This appendix sets out details of the proposed amendments to the Articles, as follows:

1. ARTICLE 2

- (a) by adding a new definition of “business day” immediately after the definition of “Board” or “Directors”:-

““business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;”;

- (b) by substituting the existing definition of “Ordinary Resolution” with the following new definition:-

““Ordinary Resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;”

- (c) by substituting the existing definition of “Special Resolution” with the following new definition:-

““special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of 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 respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;”;

- (d) by substituting the existing definition of “Subsidiary and Holding Company” with the following new definition:

“Subsidiary and Holding Company” “has the meanings attributed to them in the rules of the Designated Stock Exchange;”

2. ARTICLE 3(2)

The existing Article 3(2) provides that:

“(2) Subject to the Law, the Company’s Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit.”

It is proposed that the existing Article 3(2) be deleted in its entirety and substituted therefor with the following new Article 3(2):

“Subject to the Law, the Company’s Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Law. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.”;

3. ARTICLE 10

The existing Article 10 provides that:

“10. Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or *any* class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value 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 all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:

- (a) 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 authorized 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 of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorized representative) or by proxy (whatever the number of shares held by them) shall be a quorum;
- (b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

- (c) any holder of shares of the class present in person or by proxy or authorised representative may demand a poll.”

It is proposed that the existing Article 10 be deleted in its entirety and substituted therefor with the following new Article 10:

“10. Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value 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 all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:–

- (a) 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 authorized 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 of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.”

4. ARTICLE 59

The existing Article 59 provides that:

“59. (1) An annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one (21) clear days’ Notice. All other extraordinary general meetings may be called by not less than fourteen (14) clear days’ Notice but a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

- (2) The notice shall specify the time and place of the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.”

It is proposed that the existing Article 59 be deleted in its entirety and substituted therefor with the following new Article 59:

- “59. (1) 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 extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed.
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.
- (2) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.”

5. ARTICLE 66

The existing article 66 provides that

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member 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 instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, 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. A resolution put to the vote of a meeting shall be decided on a show of hands a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or any other applicable laws, rules or regulations 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 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 authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised 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 authorised representative or by proxy and holding shares in the Company 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 demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”

It is proposed that the existing Article 66 be deleted in its entirety and substituted therefor with the following new Article 66:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member 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 instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”;

7. ARTICLE 67

The existing Article 67 provides that:

“67. Unless a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or any other applicable laws, rules or regulations or unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

It is proposed that the existing Article 67 be deleted in its entirety substituted therefor with the words “Intentionally Omitted”.

8. ARTICLE 68

The existing Article 68 provides that:

“68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

It is proposed that the existing Article 68 be deleted in its entirety and substituted therefor with the following new Article 68:

“68. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

9. ARTICLE 69

The existing Article 69 provides that:

“69. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.”

It is proposed that the existing Article 69 be deleted in its entirety and substituted therefor with the words “Intentionally Omitted”.

10. ARTICLE 70

The existing Article 70 provides that:

“70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.”

It is proposed that the existing Article 70 be deleted in its entirety and substituted therefor with the words “Intentionally Omitted”.

11. ARTICLE 73

The existing Article 73 provides that:

“73. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

It is proposed that the words “whether on a show of hands or on a poll,” in the second sentence of Article 73 be deleted.

12. ARTICLE 75(1)

The existing Article 75(1) provides that:

“75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.”

It is proposed that the existing Article 75(1) be deleted in its entirety and substituted therefor with the following new Article 75(1):

“75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”

13. ARTICLE 76(2)

The existing Article 76(2) provides that:

“76 (2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

It is proposed that the existing Article 76(2) be deleted in its entirety and substituted therefor with the following new Article 76(2):

“76 (2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, 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 Member in contravention of such requirement or restriction shall not be counted.”

14. ARTICLE 80

The existing Article 80 provides that:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four

(24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

It is proposed that the existing Article 80 be deleted in its entirety and substituted therefor with the following new Article 80:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

15. ARTICLE 81

The existing Article 81 provides that:

“81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.”

It is proposed that the words “demand or join in demanding a poll and to” in the second sentence of Article 81 be deleted.

16. ARTICLE 82

The existing Article 82 provides that:

“82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.”

It is proposed that the words “or the taking of the poll,” in the last two lines of Article 82 be deleted.

17. ARTICLE 84(2)

The existing Article 84(2) provides that:

“84 (2) If a clearing house (or its nominee), being a corporation, is a Member, it may authorize such person(s) 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 provided that if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such representative is so authorized. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.”

It is proposed that the words “including the right to vote individually on a show of hands” in the last sentence of Article 84(2) be deleted.

18. ARTICLE 158

The existing Article 158 provides that:

“158. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy.”

It is proposed that the existing Article 158 be deleted in its entirety and substituted therefor with the following new Article 158:

“158. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”

19. ARTICLE 160

The existing Article 160 provides that:

“160. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. 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 the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this act and name such country or jurisdiction.”

It is proposed that the word “act” be replaced with the word “fact” in the last sentence of Article 160.

20. ARTICLE 161

The existing Article 161 provides that:

“161. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

It is proposed that the words “or the website of the Designated Stock Exchange,” be added immediately after the words “by placing it on the Company’s website” in the first sentence of Article 161.

21. ARTICLE 162(b)

The existing Article 162(b) provides that:

“162. (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;”

It is proposed that the words “or the website of the Designated Stock Exchange,” be added immediately after the words “A notice placed on the Company’s website” in the second sentence of Article 162(b).

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KAISUN ENERGY GROUP LIMITED

凱順能源集團有限公司*

(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 Friday, 31 July 2009 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 31 March 2009.
2. To re-elect the retiring directors and to authorize the board of directors to fix the remuneration of the directors.
3. To re-appoint the auditors and to authorize the board of directors to fix the remuneration of the auditors.

ORDINARY RESOLUTIONS

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*

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(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).”

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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 of Hong Kong Limited (“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.”

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7. 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 and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 9 December 2003 (“**Share Option Scheme**”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to clause 8.2 of the Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (“**Group**”) under the Refreshed Scheme Mandate shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

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SPECIAL RESOLUTION

8. 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 articles of association (the “Articles”) of the Company be amended as follows:–

- (a) by adding a new definition to the definitions set out under the existing Article 2 of the Articles immediately after the definition of “Board” or “Directors”:–

““business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;”;

- (b) by substituting the existing definition of “Ordinary Resolution” under existing Article 2 with the following new definition:–

““Ordinary Resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;”

- (c) by substituting the existing definition of “Special Resolution” under existing Article 2 with the following new definition:–

““special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of 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 respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;”;

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- (d) by substituting the existing definition of “Subsidiary and Holding Company” under existing Article 2 with the following new definition:

“Subsidiary and Holding Company” “has the meanings attributed to them in the rules of the Designated Stock Exchange;”

- (e) by substituting the existing Article 3(2) with the following new Article 3 (2):–

“Subject to the Law, the Company’s Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Law. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.”;

- (f) by substituting the existing Article 10 with the following new Article 10:–

“10. Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value 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 all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:–

- (a) 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 authorized 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 of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.”

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(g) by substituting the existing Article 59 with the following new Article 59:-

“59. (1) 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 extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed.

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

(2) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or windingup of a Member and to each of the Directors and the Auditors.”

(h) by substituting the existing Article 66 with the following new Article 66:-

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member 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 instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”;

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- (i) by substituting the existing Article 67 with the word “Intentionally Omitted”;
- (j) by substituting the existing Article 68 with the following new Article 68:–

“68. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”;
- (k) by substituting the existing Article 69 with the words “Intentionally Omitted”;
- (l) by substituting the existing Article 70 with the words “Intentionally Omitted”;
- (m) by amending Article 73 by deleting the words “whether on a show of hands or on a poll,” in the second sentence;
- (n) by substituting the existing Article 75(1) with the following new Article 75(1):–

“75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than fortyeight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”;
- (o) by substituting the existing Article 76(2) with the following new Article 76(2):–

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, 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 Member in contravention of such requirement or restriction shall not be counted.”

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- (p) by substituting the existing Article 80 with the following new Article 80:–

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

- (q) by amending Article 81 by deleting the words “demand or join in demanding a poll and to” in the second sentence;

- (r) by amending Article 82 by deleting the words “or the taking of the poll,” in the last two lines;

- (s) by amending Article 84(2) by deleting the words “including the right to vote individually on a show of hands” in the last sentence;

- (t) by substituting the existing Article 158 with the following new Article 158:–

“158. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”

- (u) by amending Article 160 by deleting the word “act” and replacing it with the word “fact” in the last sentence;

- (v) by amending Article 161 by adding the words “or the website of the Designated Stock Exchange,” immediately after the words “by placing it on the Company’s website” in the first sentence; and

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- (w) by amending Article 162(b) by adding the words “or the website of the Designated Stock Exchange,” immediately after the words “A notice placed on the Company’s website” in the second sentence.”

By Order of the Board
LEUNG Lit For
Secretary

Dated the 30 June 2009

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 certified copy thereof, must be deposited with the Hong Kong branch share registrars of the Company, Computershare Hong Kong Investor Services Limited, at 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. CHAN Nap Kee Joseph, Mr. YEAP Soon P Jonathan, Dr. CHOW Pok Yu Augustine, Mr. YANG Geyan, Mr. YANG Yongcheng, Mr. LIEW Swee Yean and Mr. ANDERSON Brian Ralph be re-elected as directors of the Company. Biographical details of these directors are set out in Appendix II to the Company’s circular dated 30 June 2009.
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 as ordinary resolution in item 5 above is set out in Appendix I to the Company’s circular dated 30 June 2009.
5. The 2009 Annual Report containing, inter alia, the financial statements and the report of the directors and independent auditor’s report for the year ended 31 March, 2009 has been despatched to shareholders of the Company on or about 30 June 2009. The 2009 Annual Report is available for download on the website of the Company at www.8203.com.hk.
6. As at the date of this notice, the board of directors of the Company comprises six executive directors, namely, Mr. CHAN Nap Kee Joseph, Mr. YEAP Soon P Jonathan, Dr. CHOW Pok Yu Augustine, Mr. WU Kam Hung, Mr. YANG Geyan and Mr. YANG Yongcheng and four independent non-executive directors, namely, Mr. LIEW Swee Yean, Mr. SIU Siu Ling Robert, Dr. WONG Yun Kuen and Mr. ANDERSON Brian Ralph.