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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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# Asia Resources Holdings Limited

亞洲資源控股有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 899)**

**MAJOR TRANSACTION;  
AMENDMENTS TO THE BYE-LAWS;  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A letter from the Board is set out on pages 4 to 12 of this circular. A notice convening a special general meeting of the Company to be held at The Empire Room 1, Empire Hotel Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Thursday, 12 May 2011 at 11:30 a.m. is set out on pages 34 to 47 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you so wish.

\* For identification purposes only

19 April 2011

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## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-Laws”	the bye-laws of the Company
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the terms of the Disposal Agreement
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan subject to and upon the terms and conditions of the Disposal Agreement
“Disposal Agreement”	an agreement entered into between the Vendor and the Purchaser in respect of the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“MOU”	a non-binding memorandum of understanding dated 7 January 2011 entered into between the Company and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Regions
“PRC Subsidiary”	Zhejiang Juneng Rosi Pharmaceutical Co., Ltd (浙江巨能樂斯藥業有限公司), a company established in the PRC and the subsidiary of the Target
“Purchaser”	Keen Talent International Limited (堅俊國際有限公司), which is a company incorporated in British Virgin Islands principally engaged in investment holding
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Group to the Group on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Target Group was indebted to the Group in the amount of HK\$12,566,000
“Sale Shares”	20,000 ordinary shares of US\$1.00 each in the capital of the Target
“SFO”	Security Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	special general meeting to be convened and held by the Company to consider, and if thought fit, approve the Disposal and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)

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## DEFINITIONS

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“Siping Juneng”	Siping Juneng Pharmaceutical Company Limited (四平巨能藥業有限公司 <sup>#</sup> ), a company established in the PRC, the holder of a trademark currently used by the PRC Subsidiary
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Bright Central Investments Limited, a company incorporated in the British Virgin Islands, the issued shares of which are wholly and beneficially owned by the Vendor
“Target Group”	the Target and the PRC Subsidiary
“Vendor”	Billion Source Investments Limited, a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

<sup>#</sup> *The English transliteration of the Chinese names in this circular, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names*

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## LETTER FROM THE BOARD

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# Asia Resources Holdings Limited

亞洲資源控股有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 899)

*Executive Directors:*

Mr. Chim Kim Lun, Ricky  
Mr. Chan Sung Wai  
Mr. Chan Hau Kong (*suspended*)  
Mr. Wong King Lam, Joseph

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Director:*

Mr. Tong Leung Sang

*Head office and principal place of  
business in Hong Kong:*

Unit 04 34/F  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

*Independent non-executive Directors:*

Mr. Yiu Fai Ming  
Mr. Zhang Xianlin  
Mr. Tse Yuk Kong  
Mr. Lum Pak Sum

19 April 2011

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION;  
AMENDMENTS TO THE BYE-LAWS;  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 20 March 2011, the Board announced that on 18 March 2011 after trading hours, the Vendor entered into the Disposal Agreement with the Purchaser in relation to the disposal of the Sale Shares and the Sale Loan for an aggregate cash consideration of HK\$30,000,000. On 15 April 2011, the Board proposed to amend the Bye-Laws so as to bring the constitution of the Company up-to-date. The Directors propose to seek the approval of the Shareholders for the Disposal and the amendments to the Bye-Laws to ensure compliance with the amendments made to the Listing Rules.

The purpose of this circular is to provide further details of the Disposal, the proposed amendments to the Bye-Laws, general information of the Group and notice of SGM.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### THE DISPOSAL AGREEMENT

**Date:** 18 March 2011

**Parties:** (i) the Vendor (as vendor)  
(ii) the Purchaser (as purchaser)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is principally engaged in investment holding and the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

**Assets to be disposed of:**

- (i) the Sale Shares, representing the entire issued share capital of the Target; and
- (ii) the Sale Loan, representing all obligations, liabilities and debts owing or incurred by the Target Group to the Group on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Target Group was indebted to the Group in the amount of approximately HK\$12,566,000.

**Consideration:**

The consideration for the Disposal is HK\$30,000,000 which has been satisfied by the Purchaser in the following manner:

- (a) as to HK\$6,000,000 has been paid by the Purchaser to the Vendor in cash upon the signing of the MOU;
- (b) as to HK\$12,000,000 has been paid by the Purchaser to the Vendor in cash before the signing of the Disposal Agreement; and
- (c) as to the remaining HK\$12,000,000 has been paid by the Purchaser to the Vendor by way of post-dated cheque (which is to be paid on Completion Date) before signing of the Disposal Agreement.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into account the unaudited consolidated net asset value of the Target as at 31 January 2011 and the value of the Sale Loan as at 31 January 2011.

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## LETTER FROM THE BOARD

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The Directors consider that the consideration for and the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Conditions Precedent**

Completion is conditional upon the satisfaction of the following conditions:

- (i) the Shareholders passing at the SGM an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder;
- (ii) the warranties provided by the Vendor and the Purchaser under the Disposal Agreement remaining true and accurate in all respects; and
- (iii) all necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Disposal Agreement having been obtained by the Vendor and the Purchaser.

If the above conditions are not fulfilled at or before 5:00 p.m. on 12 May 2011 or such later date as the Vendor and the Purchaser may agree, the Vendor shall refund all the deposit paid by the Purchaser and the Disposal Agreement shall cease and determine and no party shall have any obligations and liabilities under the Disposal Agreement save for any antecedent breaches of the terms thereof.

### **Completion**

Completion will take place on the third Business Day following the satisfaction of the above conditions.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

### **The licence agreement**

Immediately before the Completion, the Vendor shall procure Siping Juneng to enter into a licence agreement to grant the Purchaser a licence to use a trademark, which is beneficial by the Trademark Holder, in Wenzhou City, Zhejiang Province, the PRC.



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## LETTER FROM THE BOARD

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### Release of cross corporate guarantees

As at the Latest Practicable Date, the PRC Subsidiary provides a corporate guarantee up to the maximum amount of RMB20 million in favour of a PRC bank to secure certain banking facilities obtained by Siping Juneng and vice versa Siping Juneng also provides a corporate guarantee up to the maximum amount of RMB40 million in favour of a PRC bank to secure certain banking facilities obtained by the PRC Subsidiary. The Vendor undertakes to procure the release of all cross corporate guarantees by not later than 4 months after Completion.

### INFORMATION OF THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands on 26 August 2002. The Target is an investment holding company and the Target Group is principally engaged in manufacturing and trading of pharmaceutical products.

Set out below are the unaudited consolidated turnover, net profit/(loss) before tax and net profit/(loss) after tax of the Target for each of the two years ended 31 March 2010 and the 10 months ended 31 January 2011:

	<b>For the 10 months ended 31 January 2011 (unaudited) (approximately HK\$'000)</b>	<b>For the year ended 31 March 2010 (audited) (approximately HK\$'000)</b>	<b>For the year ended 31 March 2009 (audited) (approximately HK\$'000)</b>
Turnover	37,837	46,521	50,723
Net profit/(loss) before tax	(17,829)	(5,212)	11,474 (note)
Net profit/(loss) after tax	(17,829)	(5,212)	9,587 (note)

*Note:* a gain on disposal of land of approximately HK\$16 million was included.

Unaudited consolidated net asset value of the Target together with its subsidiary as at 31 January 2011 was about HK\$10,270,000.

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## LETTER FROM THE BOARD

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### REASONS FOR THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in manufacturing and sale of pharmaceutical products and iron mining business. For the past few years, the Target Group has been operating at a loss, which was mainly due to high operating costs in Wenzhou City the PRC, such as labour cost and production cost, and very keen competition. Thus, it is expected that the loss of the Target Group will be intensified. Through the Disposal, the Company does not need to commit further capital investment or replenish extra working capital to the Target Group. Upon Completion of the Disposal, the Group can focus its resources in other subsidiaries which the Board believes that can generate better return to the Company and its Shareholders as a whole.

In particular, the Group can then enhance its supports in the remaining pharmaceutical business of Siping Juneng which has now been turnaround. Siping Juneng is an indirect wholly owned subsidiary located in Siping City, Jilin Province, the PRC and principally engaged in the manufacturing and sale of pharmaceutical products, the intravenous fluids. With the restructuring of the production plants in the factory of Siping Juneng, the production and sale volume of Siping Juneng has increased steadily. The improvement in results of Siping Juneng during the period ended 30 September 2010 was mainly contributed by the replacement of new production lines commenced during the period. As recorded during the period from 1 April 2010 to 31 January 2011, both the production and sale volumes as compared with the same period last year have increased approximately 90% and 85% respectively.

The Directors consider that the net proceeds from the Disposal of about HK\$29,550,000 will strengthen the financial position of the Group. The Group intends to use the proceeds as general working capital.

The Board considers that the terms of the Disposal are fair and reasonable and that the Disposal is in the interests of the Company and its Shareholders as a whole.

### FINANCIAL EFFECT OF THE DISPOSAL

The unaudited consolidated net asset value of the Target together with its subsidiary as at 31 January 2011 was approximately HK\$10,270,000. The Board wishes to further disclose that the estimated gain on the Disposal of approximately HK\$6,800,000 is calculated on the basis that the consideration of the Disposal of HK\$30,000,000 less (i) costs of Sale Loan of approximately HK\$12,566,000; (ii) the net asset value of the Target; and (iii) costs and expenses incurred by the Company in connection with the Disposal.

As a result of the Disposal, it is expected that the earnings will be improved; and the total assets and total liabilities of the Group will be reduced by approximately HK\$73,918,000 and HK\$80,718,000 respectively. Thus, the Disposal will improve the overall financial position of the Group.

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER THE LISTING RULES

The Disposal constitutes a major transaction on the part of the Company for the purpose of the Listing Rules and is subject to the approval of the Shareholders. A SGM will be convened to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder. As at the Latest Practicable Date, no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting at the SGM. If any Shareholder(s) who has/have a material interest in the Disposal as at the date of the SGM, such Shareholder(s) will be required to abstain from voting for the ordinary resolution to approve the Disposal at the SGM.

### AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has amended the Listing Rules relating to, among other things, the Bye-Laws or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules have come into effect on 1 January 2009. Accordingly, the Directors propose to seek the approval of the Shareholders for the amendments to the Bye-Laws, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules.

The Directors propose to seek the approval of the Shareholders by way of a special resolution at SGM. Details of the amendments to the Bye-Laws are set out in appendix II to this circular.

The effects of the proposed Amendments to the Bye-Laws are summarised as follows:

1. An annual general meeting shall be called by notice in writing of not less than 21 clear days and not less than 20 clear business days, any special general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of not less than 21 clear days and not less than 10 clear business days. All other special general meeting may be called by notice in writing of not less than 14 clear days and not less than 10 clear business days but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice if it is so agreed by the Shareholders in accordance with the Bye-Laws;
2. At any general meeting, a resolution put to the vote of the meeting shall be decided by poll;

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## LETTER FROM THE BOARD

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3. Apart from the giving and delivery of documents by the Company to you by post, any corporate communication given or issued by the Company to you may also be by electronic transmission or communication, and such corporate communication may be served or delivered by the Company to you by transmitting the same to any telex or facsimile transmission number or electronic number or address of website supplied by you to the Company for the giving of notice to you or by placing the same on the Company's website and giving you a notice stating that such corporate communication is available there and such notice may be given to you by any of the aforementioned means other than by posting it on website;
4. The Directors (instead of subject to authorisation by the Shareholders in general meeting) shall have power to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Shareholders of the general meeting, as an addition to the existing Board. Any Director so appointed to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting. Any additional Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting;
5. Subject to any provision to the contrary in the Bye-Laws, the Shareholders may at any general meeting by ordinary resolution instead of special resolution remove a Director at any time before the expiration of his / her period of office;
6. To the extent permitted by and subject to due compliance with all applicable laws in Bermuda, the use of share premium be approved by ordinary resolution instead of special resolution;
7. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Shareholders alike;

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## LETTER FROM THE BOARD

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8. The inspection of register of members of the Company by the public without charge or payment;
9. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director; and
10. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, the Company may send to the person in any manner not prohibited by the Statutes summarized financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations. The sending of such documents shall be deemed satisfied where the Company publishes copies of the documents on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

### THE SGM

A notice convening the SGM at The Empire Room 1, Empire Hotel Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong on Thursday, 12 May 2011 at 11:30 a.m. is set out on pages 34 to 47 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting thereof (as the case may be) should you so desire.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors believe that Disposal and the proposed amendments to the Bye-Laws are in the interests of the Company and the Shareholders as a whole. The Directors further believe that the terms of the Disposal Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Disposal Agreement and the transaction contemplated thereunder and amendments of the Bye-Laws.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board  
**Asia Resources Holdings Limited**  
**Chim Kim Lun, Ricky**  
*Chairman*

**1. INDEBTEDNESS STATEMENT****Borrowings**

As at the close of business on 28 February 2011, being the latest practicable date for the purpose of this indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$547,868,000, details of which are set out below:

	<b>Principal amount</b> <i>HK\$'000</i>
Bank borrowings, secured	23,753
Bank borrowings, unsecured	98,990
Convertible bonds	425,125
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	547,868
	<hr/> <hr/>

The secured bank borrowings bear a weighted average interest rate at a rate of 6.8189% per annum. The unsecured bank borrowings bear interest rate at a rate of 6.1065% per annum.

The convertible bonds of HK\$425,125,000 bear zero coupon rate. The maturity date of the convertible bonds are 7 years from the date of issue of convertible bonds. The convertible bonds are not secured and guaranteed.

**Contingencies**

The Group did not have any material contingent liabilities or guarantees as at 28 February 2011.

**Disclaimer**

Save as aforesaid and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loan debt securities or other similar indebtedness, financial leases or hire purchase commitments, liabilities under acceptance or acceptance credits or any guarantee or other material contingent liabilities outstanding as at 28 February 2011.

For the purpose of this indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rate of exchange prevailing as at 28 February 2011.

Save as aforesaid, the Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Group since 28 February 2011 and up to the Latest Practicable Date.

**2. SUFFICIENCY OF WORKING CAPITAL**

As at the Latest Practicable Date, after due and careful enquiry, the Directors are of the opinion that, and after taking into account the present internal financial resources and credit facilities available to the Remaining Group, the Remaining Group shall, immediately following the completion of the Acquisition, have sufficient working capital for at least 12 months from the date of this circular.

In regarding to the Disposal, the Board has taken into account of the cash inflow for the consideration received from the Disposal and excluding the cash inflow for the disposed subsidiaries.

**3. MATERIAL ADVERSE CHANGE**

The Directors confirm that as at the Latest Practicable Date, they were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2010, the date to which the latest audited consolidated financial statements of the Group were made.

**4. FINANCIAL AND TRADING PROSPECTS****Business review**

For the year ended 31 March 2010, the Group's turnover amounted to approximately HK\$135,320,000 (2009: HK\$167,718,000), from its principal business of pharmaceutical operations, representing a decrease of approximately 19.31% as compared to last year.

Correspondingly, gross profit of the Group for the year ended 31 March 2010 decreased to HK\$53,763,000 (2009: HK\$68,835,000). The gross profit margin has a slight decrease to 40% (2009: 41%) as compared with last year.

During the fiscal year, the selling and distribution cost amounted to approximately HK\$40,159,000 (2009: approximately HK\$47,895,000); the administrative expenses amounted to approximately HK\$41,509,000 (2009: approximately HK\$31,747,000); the total finance costs amounted to approximately HK\$21,135,000 (2009: HK\$10,077,000), mainly included an imputed promissory note interest of HK\$14,439,000 (2009: nil) and bank loan interest of HK\$6,696,000 (2009: HK\$10,077,000).



As a result, the Group recorded a net loss attributable to owners of the Company of approximately HK\$70,280,000 (2009: approximately HK\$21,124,000). During the year, the loss increased by approximately HK\$49,156,000 mainly attributable to decrease of gross profit of HK\$15,072,000 from the intravenous fluid business; the loss of HK\$20,502,000 on redemption of promissory note; and the expenditure of imputed promissory note interest.

The basic and diluted loss per share for the year ended 31 March 2010 was HK\$4.24 cents (2009: basic and diluted loss per share of HK\$1.5 cents).

### **Segmental analysis**

#### ***Pharmaceutical Operation***

As a result of the decline in sales volume of pharmaceutical products, the Group recorded revenue from the pharmaceutical operation business of approximately HK\$135,320,000 for the year ended 31 March 2010 representing a decrease of approximately 19.31% as compared with approximately HK\$167,718,000 million of last year. Accordingly, this segment recorded a loss of HK\$12,392,000 in the fiscal year.

The operating environment of the Pharmaceutical Operation for the year under review was full of challenges. The decline in sales volume was mainly due to (i) the Group's competitors have slashed prices to promote sales; and (ii) the Group has restructured its production plants in the PRC which required the clearance of part of its existing production plants. This action was resulted in a temporary decline in production volume of our product.

Upon Completion, the Group can focus its resources and enhance its supports in the remaining pharmaceutical business of Siping Juneng which has now been turnaround. Siping Juneng is an indirect wholly owned subsidiary located in Siping City, Jilin Province, the PRC and principally engaged in the manufacturing and sale of pharmaceutical products, the intravenous fluids. With the restructuring of the production plants in the factory of Siping Juneng, the production and sale volume of Siping Juneng has increased steadily. The improvement in results of Siping Juneng during the period ended 30 September 2010 was mainly contributed by the replacement of new production lines commenced during the period. As recorded during the period from 1 April 2010 to 31 January 2011, both the production and sale volumes as compared with the same period last year have increased approximately 90% and 85% respectively.

***Iron Ore Mine Operation***

In view of the high demand of steel under rapid economic growth in the emerging countries, which is the major driving force for expanding the production capacity of the iron ore industry. In particular, the continued economic growth, accelerated industrialization and urbanization in the PRC, there will lead to a sustained demand for natural resources in the long run.

The iron ore mining and production industry is dominated by a few world-class mining giant who have longer history of operation, more experience and with greater bargaining power. Though competition amongst the industry players is keen, the Directors believe that smaller and less experienced mining companies still have an edge over the large-scaled producers. By increasing the operation and management efficiency, improving service and product qualities and acting promptly at time of market disequilibrium, similar market participant will be able to make profits.

In view of the above, the Company therefore takes initiative in identifying business opportunities in new emerging industries that will broaden the revenue sources of the Group. The Directors consider the diversification of business into new areas of high growth potential will be in the best interest of the Company and its shareholders.

On 3 December 2008, 5 January 2009 and 2 February 2009, the Group has respectively entered into a conditional sale and purchase agreement and supplemental agreements to acquire the entire issued share capital in Tian Sheng Resources Development Limited (“Tian Sheng”). The main asset of Tian Sheng is the entire equity interest in a Mongolia subsidiary, Khuderbold LLC, which principally engaged in conducting mining work for iron resources in Mongolia (the “Mongolia Iron Mine”). The acquisition was completed on 3 June 2009. Since completion of the acquisition, the Mongolia subsidiary has conducted drilling, sampling and testing procedures on the mining site. Explorations have been carried out in the mining area, no production has been commenced at this stage.

Accordingly, Tian Sheng Group recorded a loss of approximately HK\$4,884,000 for the year ended 31 March 2010. The loss was mainly comprised of administrative and exploration expenses.

*The prospect**(i) Pharmaceutical Operation*

The market environment of intravenous fluids in PRC continued to be extremely competitive caused the selling prices to decline. Following the Completion, the Group continued to exercise stringent cost control and improved operational efficiency of its intravenous fluids to mitigate the downward pressure on the selling prices, which had eroded profitability across the industry. The Group's efforts in restructuring Siping's operation in the past years bore fruit in 2011 and have contribution to the Group in the current financial year.

The Company has no intention to dispose of the remaining pharmaceutical business.

*(ii) Iron Ore Mining Operation*

The Company is now setting up an office and recruiting local staffs in Surabaya to start up its trading of iron sand business in Indonesia, and has also engaged project managers to monitor the development of said business in Indonesia.

Whereas, for the Mongolia Iron Mine, with the resignation of the key personnel, Mr. Danny Sun and Ms. Lee Yang (both of them have extensive experience in resource industry) in September 2010, the Company is in the course of re-considering the overall operating strategy for Mongolia Iron Mine. These, include but not limited to the following possible approaches, (i) recruiting expertise staff to start the exploitation of the Mongolia Iron Mine; (ii) leasing the exploration right of the Mongolia Iron Mine to third party; (iii) cooperating with other local mining companies which has exploration experience and expertise led by professional geologists; or (iv) disposing of the Mongolia Iron Mine.

At present, the Company is still using its best endeavour to recruit suitable candidates for the operation of the Mongolia Iron Mine. Nevertheless, the Company will position itself to take advantages of opportunities that are to the best benefit of the Company and Shareholders as a whole.

As at the Latest Practicable Date, the Company has not entered into any negotiation regarding the lease of the mining right, the cooperation with other local mining companies or disposal of the Mongolia Iron Mine.

*Details of the proposed amendments to the Bye-Laws are set out as follows:*

**(a) Bye-law 1**

By adding the following new definition in the existing Bye-law 1 after the definition of “Board” or “Directors”:

“business day” 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 any trading session for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”

**(b) Bye-law 2**

(i) By adding the following words before the semi-colon at the end of the existing Bye-law 2(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

(ii) By deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following:

“(h) 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 pursuant to Bye-law 59;”

(iii) By deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following:

“(i) 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 pursuant to Bye-law 59;”

(iv) By deleting the full stop at the end of the existing Bye-law 2(j) and replacing it with a semi-colon and inserting the following new Bye-law 2(k):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

**(c) Bye-law 6**

By deleting Bye-law 6 in its entirety and substituting therefor the following:

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

**(d) Bye-law 9**

By deleting the existing Bye-law 9 in its entirety and substituting therefor the following:

“9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.”

**(e) Bye-law 10**

- (i) By adding the word “and” after the semi-colon in the last line of the existing Bye-law 10(a).
- (ii) By deleting the word and punctuation “; and” after the words “every such share held by him” in the last line of Bye-law 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Bye-law 10(c) in its entirety.

**(f) Bye-law 44**

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

**(g) Bye-law 51**

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 3rd line of the existing Bye-law 51.

**(h) Bye-law 59(1)**

By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“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 special 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 special 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 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.”

**(i) Bye-law 66**

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“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 Bye-laws, at any general meeting on a poll every Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy 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.”

**(j) Bye-law 67**

By deleting the existing Bye-law 67 in its entirety and substituting therefor the words “intentionally deleted”.

**(k) Bye-law 68**

By deleting the existing Bye-law 68 in its entirety and substituting therefor the following:

“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.”

**(l) Bye-law 69**

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

**(m) Bye-law 70**

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.



**(n) Bye-law 73**

By deleting the words “whether on a show of hands or on a poll,” after the words and punctuation “In the case of any equality of votes,” in the 1st line of the existing Bye-law 73.

**(o) Bye-law 75(1)**

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “persons incapable of managing their own affairs may vote,” in the 3rd line of the existing Bye-law 75(1); by deleting the words “on a poll” after the words “curator bonis or other person may vote” in the 6th line of the existing Bye-law 75(1); and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the 11th line of the existing Bye-law 75(1).

**(p) Bye-law 80**

By deleting the words “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” after the words “the person named in the instrument proposes to vote” in the 8th line of the existing Bye-law 80; and by deleting the words “or on a poll demanded at a meeting or an adjourned meeting in cases” after the words “except at an adjourned meeting” in the 12th line of the existing Bye-law 80.

**(q) Bye-law 81**

By deleting the words “to demand or join in demanding a poll and” after the words “The instrument of proxy shall be deemed to confer authority” in the 5th line of the existing Bye-law 81.

**(r) Bye-law 82**

By deleting the words and punctuation “or the taking of the poll,” after the words and punctuation “the meeting or adjourned meeting,” in the 7th line of the existing Bye-law 82.

**(s) Bye-law 86**

- (i) By deleting the existing Bye-law 86(2) in its entirety and substituting therefor the following:

“(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. The Directors to retire at the annual general meeting pursuant to this Bye-law 86(2) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at the annual general meeting.”

- (ii) By deleting the word “special” in the 2nd line of the existing Bye-law 86(4) and substituting therefor the word “ordinary”.

**(t) Bye-law 115**

By deleting the existing Bye-law 115 in its entirety and substituting therefor the following:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may from time to time determine.”

**(u) Bye-law 127**

- (i) By deleting the words “a president and vice president or chairman and deputy chairman,” in the 1st line of the existing Bye-law 127(1).
- (ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therefor the words “intentionally deleted”.

**(v) Bye-law 129**

By deleting the existing Bye-law 129 in its entirety and substituting therefor the words “intentionally deleted”.

**(w) Bye-law 153**

- (i) By inserting the words “and Bye-law 153A” after the words “Subject to Section 88 of the Act” in the 1st line of the existing Bye-law 153.
- (ii) By adding the following new Bye-laws 153A and 153B after the existing Bye-law 153:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

**(x) Bye-law 160**

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

"160. 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 Bye-laws 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 appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and 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 or the website of the Designated Stock Exchange, 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 provided that such means is permitted by the rules of the Designated Stock Exchange. 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."

**(y) Bye-law 161**

- (i) By deleting the word “and” at the end of existing Bye-law 161(a).
- (ii) By deleting the full stop at the end of existing Bye-law 161(b) and replacing it with a semi-colon and inserting the word “and” after the semi-colon; and by re-numbering the existing Bye-law 161(b) as Bye-law 161(c).
- (iii) By inserting the following words after the existing Bye-law 161(a):
  - “(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 or the website of the Designated Stock Exchange 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;”
- (iv) By inserting the following words after the new Bye-law 161(c):
  - “(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

**(1) RESPONSIBILITY STATEMENT**

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

**(2) DISCLOSURE OF INTERESTS****(a) Directors' interests and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

**(i) *Interests in Shares:***

As at the Latest Practicable Date, none of the Directors, chief executive of the Company has interest and short positions in the Shares and the underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the SFO).

*(ii) Interests in Share Options under Share Option Schemes:*

As at the Latest Practicable Date, none of the Directors, chief executive of the Company has interest in share options under the share option schemes adopted by the Company on 14 January 2002.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

**(b) Director's interest in assets and/or arrangement**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been since 31 March 2010, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

**(c) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly,

interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

**Substantial Shareholders:**

<b>Name of substantial shareholders</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date (%)</b>
Golden Mount Limited ( <i>note 1</i> )	Beneficial owner	215,000,000	5.81
Mr. Chim Pui Chung ( <i>note 1</i> )	Interest in a controlled corporation	215,000,000	5.81
Mr. Yue Wai Keung	Beneficial owner	270,000,000	7.30
Empire Bridge Assets Limited ("Empire Bridge") ( <i>note 2</i> )	Beneficial owner	2,281,937,735	61.69
Tang Sze Wan ( <i>note 2</i> )	Interest in a controlled corporation	2,281,937,735	61.69

*Notes:*

- Golden Mount Limited is solely owned by Mr. Chim Pui Chung, who is the father of Mr. Chim Kim Lun, Ricky, an executive Director and chairman of the Board.
- Empire Bridge, a company solely owned by Ms. Tang Sze Wan, is the sole beneficial owner of HK\$425,125,000 zero coupon convertible non-redeemable note due 2017 issued on 29 September 2010 by the Company at a conversion price of HK\$0.1863 each (which entitle Empire Bridge to subscribe for 2,281,937,735 new Shares upon exercise of the conversion right attached to such convertible notes in full)

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.



**(3) DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

**(4) COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the management Shareholders (as defined in the Listing Rules) or their respective associates has any interest in a business which competes or may compete with the business of the Group or have or may have any conflicts of interests with the Group.

**(5) LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**(6) MATERIAL CONTRACTS**

Save as disclosed below, no contract (not being contracts in the ordinary course of business) has been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and which is or may be material.

1. the sale and purchase agreement dated 22 December 2007 (as amended by supplemental agreements dated 4 July 2008, 22 July 2009 and 16 July 2010) and entered into between Bestime Systems Limited, a wholly owned subsidiary of the Company, as vendor and Mr. Zhou Yu Kang (the ultimate beneficial owner of the Purchaser), as the purchaser in relation to the disposal of 30% issued share capital in Skyyield Holdings Limited by Bestime Systems Limited for total consideration of HK\$180,000,000 and extension of the payment of the remaining consideration to on or before 22 January 2011;
2. the placing agreement dated 25 May 2009 and entered into between Sun Hung Kai Investment Services Limited and the Company in relation to the placing, on a best efforts basis, of up to 140,000,000 Shares at the placing price of HK\$0.396 per Share;

3. the subscription agreement dated 21 July 2009 and entered into between Joinsmart Asia Limited and the Company in relation to the subscription of 111,660,000 Shares at the subscription price of HK\$0.3 per Share;
4. the subscription agreement dated 24 August 2009 and entered into between Banian International Industrial Group Limited and the Company in relation to the subscription for 81,000,000 Shares at the subscription price of HK\$0.25 per Share;
5. the sale and purchase agreement dated 24 October 2009 and entered into between Empire Bridge Assets Limited as vendor, Mr. Lam Chong San as guarantor and Mighty Kingdom Investments Limited, a wholly-owned subsidiary of the Company as purchaser in relation to the acquisition by the Group of the 55,000 shares PT. Dampar Golden International, representing 55% of the issued share capital for total consideration of HK\$577,500,000;
6. the placing agreement dated 6 November 2009 and entered into between Hani Securities (H.K.) Limited and the Company in relation to the placing, on a best efforts basis, of up to 320,000,000 Shares at the placing price of HK\$0.26 per Share;
7. the sale and purchase agreement dated 22 December 2009 (the “**Iron Agreement**”) and entered into between Tain Wei Limited as vendor, Mr. Ma Hing Chun as guarantor and the Company as purchaser in relation to the acquisition by the Company of the 1 share, being the entire issued share capital, in Speed Up Worldwide Limited for total consideration of HK\$700,000,000; and the deed of termination dated 31 May 2010 and entered into between Tain Wei Limited, Mr. Ma Hing Chun and the Company terminating all parties’ obligations and liabilities under the Iron Agreement;
8. the placing agreement dated 8 February 2010 and entered into between Luen Fat Securities Company Limited and the Company in relation to the placing, on a best efforts basis, of up to 250,000,000 Shares at the placing price of HK\$0.19 per Share;
9. The underwriting agreement dated 4 March 2010 and entered into between the Company and Luen Fat Securities Company Limited in relation the issue of the 1,015,300,295 new Shares to the qualifying shareholders of the Company at HK\$0.13 on the basis of one Offer Share for every two Shares by way of open offer; and
10. The Disposal Agreement.

**(7) MISCELLANEOUS**

- (a) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Ms. Leung Lai Si, Rosena, who is a fellow member of both The Institute of Chartered Secretaries & Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

**(8) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 04, 34/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, during normal business hours on any business day, from the date of this circular up to 12 May 2011:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 March 2009 and 31 March 2010 respectively;
- (c) the unaudited interim report of the Company for the six months ended 30 September 2010;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (e) all circulars issued under chapters 14 and 14A of the Listing Rules since the publication of the annual reports of the Company for the year ended 31 March 2010.

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## NOTICE OF SGM

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# Asia Resources Holdings Limited

# 亞洲資源控股有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 899)

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of the shareholders of Asia Resources Holdings Limited (the “**Company**” together its subsidiaries the “**Group**”) will be held at The Empire Room 1, Empire Hotel Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong, Hong Kong on Thursday, 12 May 2011 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

### ORDINARY RESOLUTION

(1) “**THAT**

- (a) the conditional agreement (the “**Agreement**”) dated 18 March 2011 and entered into between Billion Source Investments Limited, a wholly owned subsidiary of the Company, as vendor and Keen Talent International Limited (the “**Purchaser**”) as purchaser in relation to the sale and purchase of (i) 20,000 shares of US\$1.00 in the share capital of Bright Central Investments Limited (the “**Target**” together its subsidiaries the “**Target Group**”), representing its entire issued share capital; and (ii) all obligations, liabilities and debts owing or incurred by the Target Group to the Group for a total consideration of HK\$30 million (a copy of the Agreement is marked “A” and produced to the SGM and signed by the chairman of the SGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and
- (b) any one or more Director(s) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal, where applicable) which he/she/they consider(s) necessary, desirable or expedient to give effect to the Agreement and the transactions contemplated thereunder.”

\* For identification purposes only

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## NOTICE OF SGM

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### SPECIAL RESOLUTION

- (2) “**THAT** the bye-laws (the “Bye-laws”) of the Company be and are hereby amended in the following manner:

(a) **Bye-law 1**

By adding the following new definition in the existing Bye-law 1 after the definition of “Board” or “Directors”:

“business day” 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 any trading session for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”

(b) **Bye-law 2**

- (i) By adding the following words before the semi-colon at the end of the existing Bye-law 2(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

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## NOTICE OF SGM

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- (ii) By deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following:

“(h) 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 pursuant to Bye-law 59;”

- (iii) By deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following:

“(i) 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 pursuant to Bye-law 59;”

- (iv) By deleting the full stop at the end of the existing Bye-law 2(j) and replacing it with a semi-colon and inserting the following new Bye-law 2(k):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

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## NOTICE OF SGM

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**(c) Bye-law 6**

By deleting Bye-law 6 in its entirety and substituting therefor the following:

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

**(d) Bye-law 9**

By deleting the existing Bye-law 9 in its entirety and substituting therefor the following:

“9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.”

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## NOTICE OF SGM

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**(e) Bye-law 10**

- (i) By adding the word “and” after the semi-colon in the last line of the existing Bye-law 10(a).
- (ii) By deleting the word and punctuation “; and” after the words “every such share held by him” in the last line of Bye-law 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Bye-law 10(c) in its entirety.

**(f) Bye-law 44**

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”



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## NOTICE OF SGM

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**(g) Bye-law 51**

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 3rd line of the existing Bye-law 51.

**(h) Bye-law 59(1)**

By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“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 special 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 special 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 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.”

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## NOTICE OF SGM

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**(i) Bye-law 66**

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“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 Bye-laws, at any general meeting on a poll every Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy 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.”

**(j) Bye-law 67**

By deleting the existing Bye-law 67 in its entirety and substituting therefor the words “intentionally deleted”.

**(k) Bye-law 68**

By deleting the existing Bye-law 68 in its entirety and substituting therefor the following:

“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.”

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## NOTICE OF SGM

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**(l) Bye-law 69**

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

**(m) Bye-law 70**

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.

**(n) Bye-law 73**

By deleting the words “whether on a show of hands or on a poll,” after the words and punctuation “In the case of any equality of votes,” in the 1st line of the existing Bye-law 73.

**(o) Bye-law 75(1)**

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “persons incapable of managing their own affairs may vote,” in the 3rd line of the existing Bye-law 75(1); by deleting the words “on a poll” after the words “curator bonis or other person may vote” in the 6th line of the existing Bye-law 75(1); and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the 11th line of the existing Bye-law 75(1).

**(p) Bye-law 80**

By deleting the words “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” after the words “the person named in the instrument proposes to vote” in the 8th line of the existing Bye-law 80; and by deleting the words “or on a poll demanded at a meeting or an adjourned meeting in cases” after the words “except at an adjourned meeting” in the 12th line of the existing Bye-law 80.

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## NOTICE OF SGM

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**(q) Bye-law 81**

By deleting the words “to demand or join in demanding a poll and” after the words “The instrument of proxy shall be deemed to confer authority” in the 5th line of the existing Bye-law 81.

**(r) Bye-law 82**

By deleting the words and punctuation “or the taking of the poll,” after the words and punctuation “the meeting or adjourned meeting,” in the 7th line of the existing Bye-law 82.

**(s) Bye-law 86**

(i) By deleting the existing Bye-law 86(2) in its entirety and substituting therefor the following:

“(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. The Directors to retire at the annual general meeting pursuant to this Bye-law 86(2) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at the annual general meeting.”

(ii) By deleting the word “special” in the 2nd line of the existing Bye-law 86(4) and substituting therefor the word “ordinary”.

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## NOTICE OF SGM

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**(t) Bye-law 115**

By deleting the existing Bye-law 115 in its entirety and substituting therefor the following:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may from time to time determine.”

**(u) Bye-law 127**

- (i) By deleting the words “a president and vice president or chairman and deputy chairman,” in the 1st line of the existing Bye-law 127(1).
- (ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therefor the words “intentionally deleted”.

**(v) Bye-law 129**

By deleting the existing Bye-law 129 in its entirety and substituting therefor the words “intentionally deleted”.

**(w) Bye-law 153**

- (i) By inserting the words “and Bye-law 153A” after the words “Subject to Section 88 of the Act” in the 1st line of the existing Bye-law 153.

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## NOTICE OF SGM

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- (ii) By adding the following new Bye-laws 153A and 153B after the existing Bye-law 153:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

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## NOTICE OF SGM

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(x) **Bye-law 160**

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

“160. 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 Bye-laws 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 appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and 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 or the website of the Designated Stock Exchange, 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 provided that such means is permitted by the rules of the Designated Stock Exchange. 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.”

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## NOTICE OF SGM

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(y) **Bye-law 161**

- (i) By deleting the word “and” at the end of existing Bye-law 161(a).
- (ii) By deleting the full stop at the end of existing Bye-law 161(b) and replacing it with a semi-colon and inserting the word “and” after the semi-colon; and by re-numbering the existing Bye-law 161(b) as Bye-law 161(c).
- (iii) By inserting the following words after the existing Bye-law 161(a):
  - “(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 or the website of the Designated Stock Exchange 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;”
- (iv) By inserting the following words after the new Bye-law 161(c):
  - “(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

By order of the Board  
**Asia Resources Holdings Limited**  
**Chim Kim Lun, Ricky**  
*Chairman*

Hong Kong, 19 April 2011

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit 04 34/F  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong



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## NOTICE OF SGM

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*Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.