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

If you have sold or transferred all your shares in **NEW TIMES ENERGY CORPORATION LIMITED** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 00166)

**PROPOSED GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Board Room, 7/F, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 3:00 p.m. is set out on pages 28 to 33 of this circular. A form of proxy for the annual general meeting is also enclosed herewith. Whether or not you propose to attend the annual general meeting, you are requested to complete the proxy form and return it to the office of the Company’s branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as practicable 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 form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Board Road, 7/F, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 3:00 p.m., to consider and, if appropriate, to pass the Ordinary Resolutions, or any adjournment thereof;
“AGM Notice”	the notice of the AGM as set out in pages 28 to 33 of this circular;
“Associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company;
“Companies Act”	the Companies Act 1981 of Bermuda;
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Connected Persons”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the directors of the Company;
“Eligible Consultant”	any agent or consultant of any member of the Group that provides research, development, technological support or other services to the Group or Invested Entity;
“Eligible Employee”	means any employee (whether full time or part time employee, including any executive Directors but not any non-executive Director and independent non-executive Director) of the Company, its Subsidiaries or any Invested Entity;
“Eligible Grantee(s)”	person(s) who is/are eligible for Options granted/to be granted under the Existing Share Option Scheme;

DEFINITIONS

“Existing Share Option Scheme”	the Company’s existing share option scheme adopted on 30 August 2002 and expiring on 29 August 2012 and which is to be terminated upon the adoption of the New Share Option Scheme;
“Extension Mandate”	the proposed extension of the Issue Mandate 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;
“General Scheme Limit”	the total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group and which must not in aggregate exceed 10 per cent. of the Shares in issue as at the day of the passing of the relevant ordinary resolution approving the adoption of the New Share Option Scheme;
“Grantee”	any Participant who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its Subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Invested Entity”	any entity in which any member of the Group holds any equity interest;
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“Latest Practicable Date”	4 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III;
“Option(s)”	option(s) granted to the Eligible Grantees under the Existing Share Option Scheme (if any) or the Participants under the New Share Option Scheme, as the context requires;
“Optionholders”	the holders of the 21,665,000 Options which are granted but not exercised under the Existing Share Option Scheme;
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the AGM as set out in the AGM Notice;
“Participant(s)”	means any person(s) belonging to any of the following classes of participants: (a) any Eligible Employee; (b) non-executive Director (including independent non-executive Directors) of the Company, any of its Subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any agent or consultant of any member of the Group that provides research, development or technological support or other services to the Group or any Invested Entity; and (f) any Shareholder or any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
“PRC”	The People’s Republic of China;

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a subsidiary for the time being of the Company (within the meaning of Section 2 of the Companies Ordinance, whether incorporated in Hong Kong or elsewhere);
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers.

LETTER FROM THE BOARD



NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 00166)

Executive Directors:

Mr. Cheng Kam Chiu, Stewart (*Chairman*)

Mr. Cheng Ming Kit

Non-Executive Directors:

Mr. Wong Man Kong, Peter

Mr. Chan Chi Yuen

Independent Non-Executive Directors:

Mr. Fung Chi Kin

Mr. Fung Siu To, Clement

Mr. Chiu Wai On

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

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

Room 1007-08

New World Tower I

18 Queen's Road Central

Central

Hong Kong

8 April 2011

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the Ordinary Resolutions to be proposed at the AGM to (i) grant to the Directors the Issue Mandate; (ii) grant to the Directors the Repurchase Mandate; (iii) re-elect retiring Directors; and (iv) approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

* *For identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Pursuant to the resolutions passed by the Shareholders or (as the case may be) independent Shareholders at the annual general meeting of the Company on 9 June 2010, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing of the relevant resolution; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing of the relevant resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the securities of the Company repurchased by the Company pursuant to the mandate to repurchase securities referred to (b) above. Such mandates will lapse at the conclusion of the forthcoming AGM.

At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 9,088,518,346 Shares in issue. Subject to the passing of the resolution for the approval of the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 1,817,703,669 Shares.

The Issue Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the Issue Mandate and the Repurchase Mandate 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 memorandum of association and the Bye-laws or any other applicable laws of Bermuda; or (iii) the revocation or variation of the Issue Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first. An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement

LETTER FROM THE BOARD

contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-Laws, Mr. Chan Chi Yuen, Mr. Fung Chi Kin and Mr. Fung Siu To, Clement will retire as Directors at the AGM and being eligible, offer themselves for re-election.

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

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme

Pursuant to an ordinary resolution passed by the Shareholders at a special general meeting on 30 August 2002, the Company had adopted the Existing Share Option Scheme. Under the Existing Share Option Scheme, the Board may offer Options to the eligible Participants prescribed in the Existing Share Option Scheme in its absolute discretion.

As at the Latest Practicable Date, the Company had granted Options to subscribe for a total of 72,216,800 Shares under the Existing Share Option Scheme to the Eligible Grantees, of which Options to subscribe for 8,666,000 Shares have been exercised, 27,442,400 Options have been lapsed, 14,443,400 Options have been cancelled and 21,665,000 Options remained outstanding as at the date of the AGM. The Directors confirm that no further options will be granted under the Existing Share Option Scheme prior to the date of the AGM.

Termination of the Existing Share Option Scheme

Under the terms of the Existing Share Option Scheme, the Company may by resolution in general meeting or the Board may at any time terminate the operation of the Existing Share Option Scheme. It is proposed by the Directors that at the AGM, an ordinary resolution will be proposed for the Company to terminate the operation of the Existing Share Option Scheme (such that no further options could thereafter be offered under the Existing Share Option Scheme but in all other respects, the provisions of the Existing Share Options Scheme shall remain in force and effect and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme) and to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the AGM subject to the Stock Exchange granting approval for the listing of and dealing in the Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

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Adoption of New Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 30 August 2002 which will expire on 29 August 2012. The Directors considered that the New Share Option Scheme, which will replace the Existing Share Option Scheme and will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long term planning of granting of the share options to eligible Participants in a longer period in the future, e.g. considering granting share options after the expiry of the Existing Share Option Scheme. The New Share Option Scheme also provides appropriate incentives or rewards to eligible Participants for their contributions or potential contributions to the Group. The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees, Directors, consultants and advisers of the Group and to promote the success of the business of the Group.

The rules of the New Share Option Scheme provide that the Company may specify the eligible Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. No minimum period for which the Option has to be held before it can be exercised is specified in the New Share Option Scheme. Also, there is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage eligible Participants to acquire proprietary interests in the Company.

Subject to the approval of the New Share Option Scheme by the Shareholders, an Ordinary Resolution will be proposed at the AGM for the Company to grant Options under the New Share Option Scheme for the subscription of not more than 10% of the entire issued capital of the Company (excluding, for this purpose, Options which have lapsed in accordance with the terms of any other share options scheme of the Group, and the outstanding Options granted and yet to be exercised pursuant to the Existing Share Option Scheme) as at the date of the passing of the relevant resolution.

A summary of the principal terms of the rules of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the head office and principal place of business of the Company at Room 1007-8, 10/F, New World Tower I, 18 Queen's Road Central, Hong Kong during normal business hours from the date hereof up to and including 17 May 2011 prior to the AGM.

As at the Latest Practicable Date, there were 21,665,000 Options remained outstanding under the Existing Share Option Scheme, representing approximately 0.24% of the Shares in issue as at the Latest Practicable Date. According to Rule 17.03(3) of the Listing Rules, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes must not exceed 30% of the relevant class of Shares in issue from time to time. Based on an aggregate of 9,088,518,346 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company on or before the date of the

LETTER FROM THE BOARD

AGM, Options to subscribe for up to 887,186,834 Shares may be issued to the Participants under the New Share Option Scheme under Rule 17.03(3) of the Listing Rules should the New Share Option Scheme be adopted.

With respect to the operation of the New Share Option Scheme the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Value of Option

The Directors consider that it is not appropriate to state the value of all the options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are critical for the calculation of the value of such Options cannot be determined. The variables which are critical for the determination of the value of such Options include inter alia, (i) the subscription price for the Shares upon the exercise of the subscription rights attaching to the Options; (ii) whether or not Options will be granted under the New Share Option Scheme and the timing of the granting of such Options; (iii) the period during which the subscription rights may be exercised; (iv) the discretion of the Board to impose any performance target that has to be achieved before the subscription rights attaching to the Options can be exercised and any other conditions that the Board may impose on the Options; and (v) whether or not such Options if granted will be exercised by the Participants. The subscription price payable for the Shares depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Options under the New Share Option Scheme. With a scheme life of ten years, the Board is of the view that it is too premature to state whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options that may be granted. It is also difficult to ascertain with accuracy the subscription price of the Shares given the volatility which the Share price may be subject to during the 10-year life of the New Share Option Scheme. In the circumstances, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to evaluate or can only be evaluated subject to a number of theoretical basis and speculative assumptions. Accordingly, the Directors believed that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

Conditions Precedent of the New Share Option Scheme

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

- (a) the passing of an ordinary resolution to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme by the Shareholders at the AGM;
- (b) the Listing Committee of the Stock Exchange granting approval of listing of and permission to deal in the Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and

LETTER FROM THE BOARD

- (c) if necessary, the Bermuda Monetary Authority granting approval for the issue of Options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such Options.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme and up to the General Scheme Limit once the New Share Option Scheme is adopted by the Company.

AGM

A notice convening the AGM of the Company to be held at Board Room, 7/F, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 3:00 p.m. is set out on pages 28 to 33 of this circular. A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to the Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the AGM shall be taken by poll. Chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to the Bye-law 66. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The result the poll will be published announce on the websites of the Company and Stock Exchange in accordance with Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the Issue Mandates, the Repurchase Mandates, the re-election of the retiring Directors, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Your attention is drawn to the additional information set out in Appendix I to Appendix III to this circular.

Yours faithfully,
For and on behalf of the Board
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman and Executive director

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

LISTING RULES FOR REPURCHASE OF SHARES

The Listing Rules permit companies whose listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, inter alia, source of funds required for any repurchases must be funded out of funds legally available for the purpose in accordance with the Company's constitutive documents and the laws of the jurisdiction in which the company is incorporated.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 9,088,518,346 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase up to a maximum of 908,851,834 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

SOURCES OF FUNDS

Repurchases must be funded out of funds legally available for the purpose and in accordance with the Company's constitutive documents and laws of the jurisdiction in which the Company is incorporated or otherwise established.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. 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 earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase Shares in circumstances where they consider that the repurchase would be in the best interests of the Company.

IMPACT ON WORKING CAPITAL

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 the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, 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 most recently published audited financial statements contained in the annual report of the Company for the year ended 31st December 2010) in the event that the Repurchase Mandate was exercised in full at any time during the proposed repurchase period.

EXERCISE OF POWER IN ACCORDANCE WITH LAW

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 Listing Rules and the applicable laws of Bermuda.

DIRECTORS' INTENTION TO SELL SHARES TO THE COMPANY

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intends to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved.

CONNECTED PERSONS

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved.

CONSEQUENCES OF REPURCHASE UNDER THE TAKEOVERS CODE

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 purposes of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 366 of the SFO, and so far as is known to the Directors, the following Shareholders were directly interested in 5% or more of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company together with the number of Shares in which it was deemed to be interested:

Name	Number of Share held as at the Latest Practicable Date	Number of warrants held as at the Latest Practicable Date	Percentage of holding as at the Latest Practicable Date	Percentage of holding if the Repurchase Mandate is exercised in full
Max Sun Enterprises Limited (<i>Note</i>)	868,605,530	124,086,504	10.92%	12.14%*

Note: Max Sun Enterprises is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited. So far as known to the Directors, Chow Tai Fook Nominee Limited is in turn controlled by Dato' Dr. Cheng Yu-Tung.

* Assuming the present shareholdings remains the same.

In the event that the Directors exercise the Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of the relevant resolution granting the Repurchase Mandate, the interest of the above Shareholder would be increased to approximately the percentage shown in the last column above and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from making a repurchase of shares on the Stock Exchange if the result of the repurchase would be less than 25% (or such other prescribed percentage as determined by the Stock Exchange to constitute the minimum public float of a company) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARES PURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange in the six months preceding the date of this Circular.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last thirteen months prior to the issue of this circular.

Month	Highest trade price <i>HK\$</i>	Lowest trade price <i>HK\$</i>
2010		
April	0.355	0.310
May	0.325	0.249
June	0.310	0.265
July	0.275	0.240
August	0.260	0.205
September	0.260	0.205
October	0.255	0.233
November	0.249	0.204
December	0.222	0.180
2011		
January	0.213	0.178
February	0.195	0.158
March	0.173	0.145
April (up to Latest Practicable Date)	0.161	0.149

Stated below are the details of Directors who will be eligible for re-election at the AGM:

Mr. Chan Chi Yuen

Mr. Chan Chi Yuen, aged 44, joined the Group in May 2006 as the Chairman and an executive director of the Group and re-designated as a non-executive director in October 2006. Mr. Chan holds a bachelor degree with honours in Business Administration and a Master of Science degree in Corporate Governance and Directorship. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. He is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), China Gogreen Assets Investment Limited (stock code: 397), China Gamma Group Limited (stock code: 164), China Grand Forestry Green Resources Group Limited (stock code: 910), Rojam Entertainment Holdings Limited (stock code: 8075) and U-RIGHT International Holdings Limited (stock code: 627), which shares are listed on the Stock Exchange. Mr. Chan was also an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145) from October 2009 to February 2011, Richly Field China Development Limited (stock code: 313) from February 2009 to August 2010, Superb Summit International Timber Company Limited (stock code: 1228) from April 2007 to June 2010 and an executive director of Kong Sun Holdings Limited (stock code: 295) from February 2007 to November 2009, Amax Holdings Limited (stock code: 959) from August 2005 to January 2009 and China E-Learning Group Limited (stock code: 8055) from July 2007 to September 2008, which shares are listed on the Stock Exchange. Saved as disclosed above, Mr. Chan does not hold any other directorship in other listed public companies in the last three years and does not hold any other position with the Company and other members of the Company's group.

Mr. Chan has not entered into any director service contract with the Company. For the financial year ended 31 December 2010, Mr. Chan received a total director's fee of HK\$100,000. If elected, Mr. Chan is proposed to receive director's fee of HK\$100,000 for the financial year ending 31 December 2011 which is determined with reference to his qualification, experience, responsibilities and time commitment with the Company and subject to annual review by the Remuneration Committee and approval of the Board pursuant to the power granted by the Shareholders at the annual general meetings.

Mr. Chan does not have any relationship with directors, senior management or substantial or controlling shareholders. As at the Latest Practicable Date, Mr. Chan does not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chan is subject to retirement by rotation and re-election at least once every three years pursuant to the Bye-Laws.

There are no other matters concerning the appointment of Mr. Chan that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Fung Chi Kin

Mr. Fung Chi Kin, aged 62, was appointed as an independent non-executive director in October 2006. Mr. Fung is the Permanent Honorary President of the Chinese Gold & Silver Exchange Society and has been an international advisor of Shanghai Gold Exchange. Mr. Fung has over 30 years of experience in banking and finance business. From October 1998 to June 2000, he served as the Council Member of First Legislative Council of the HKSAR. He also held important office in various public organizations, namely President of the Chinese Gold and Silver Exchange Society, Vice Chairman of the Stock Exchange of Hong Kong Limited, director of the Hong Kong Futures Exchanges Limited and Hong Kong Securities Clearing Company Limited, Hong Kong Affairs Advisor.

Mr. Fung is an independent non-executive director of Chaoda Modern Agriculture (Holdings) Limited (stock code: 682) which shares are listed on the Main Board of the Stock Exchange. Mr. Fung was also an independent non-executive director of Emperor Capital Group Limited (stock code: 717) from March 2007 to May 2010. Saved as disclosed above, Mr. Fung does not hold any other directorship in other listed public companies in the last three years.

Mr. Fung has not entered into any director service contract with the Company. For the financial year ended 31 December 2010, Mr. Fung received a total director's fee of HK\$100,000. If elected, Mr. Fung is proposed to receive director's fee of HK\$100,000 for the financial year ending 31 December 2011 which is determined with reference to his qualification, experience, responsibilities and time commitment with the Company and subject to annual review by the Remuneration Committee and approval of the Board pursuant to the power granted by the Shareholders at the annual general meetings.

Mr. Fung is the chairman of remuneration committee and nomination committee and member of audit committee of the Company. He does not have any relationship with directors, senior management or substantial or controlling shareholders. As at the Latest Practicable Date, Mr. Fung does not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Fung is subject to retirement by rotation and re-election at least once every three years pursuant to the Bye-Laws.

There are no other matters concerning the appointment of Mr. Fung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Fung Siu To, Clement

Mr. Fung Siu To, Clement, aged 62, was appointed as an independent non-executive director in December 2008. Mr. Fung has over 25 years of experience in project management and construction. He is a holder of a Bachelor of Applied Science (Civil Engineering) degree and is also a fellow member of the Hong Kong Institution of Engineers.

Mr. Fung is currently the Chairman and executive director of Asia Orient Holdings Limited (stock code: 214) and Asia Standard International Group Limited (stock code: 129) and is an executive director of Asia Standard Hotel Group Limited (stock code: 292) which shares are listed on the Main Board of the Stock Exchange. Saved as disclosed above, Mr. Fung does not hold any other directorship in other listed public companies in the last three years.

Mr. Fung has not entered into any director service contract with the Company. For the financial year ended 31 December 2010, Mr. Fung received a total director's fee of HK\$100,000. If elected, Mr. Fung is proposed to receive director's fee of HK\$100,000 for the financial year ending 31 December 2011 which is determined with reference to his qualification, experience, responsibilities and time commitment with the Company and subject to annual review by the Remuneration Committee and approval of the Board pursuant to the power granted by the Shareholders at the annual general meetings.

Mr. Fung is the member of audit committee, remuneration committee and nomination committee of the Company. He does not have any relationship with directors, senior management or substantial or controlling shareholders.

As at the Latest Practicable Date, Mr. Fung held 600,000 ordinary shares of the Company (representing approximately 0.007% of the issued share capital of the Company). He also held 85,714 warrants of the Company which entitled him to subscribe for 85,714 ordinary shares. Saved as disclosed above, he does not hold any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Fung is subject to retirement by rotation and re-election at least once every three years pursuant to the Bye-Laws.

There are no other matters concerning the appointment of Mr. Fung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

(a) Purpose of the scheme

The Purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(b) Who may join

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (aa) any Eligible Employee;
- (bb) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of the Group or any Invested Entity;
- (ee) any Eligible Consultant; and
- (ff) any shareholder or any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

and, for the purposes of the New Share Option Scheme, the Options may be granted to any company wholly and beneficially owned by one or more persons belonging to any of the above classes of Participants or any discretionary object of a Participant which is a discretionary trust.

The basic of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity.

(c) Maximum number of Shares

- (aa) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30 per cent. of the issued share capital of the Company from time to time.

- (bb) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 908,851,834 Shares (assuming no further issue of Shares from the Latest Practicable Date), being 10 per cent. of the Shares in issue as at the day of the passing of the relevant Ordinary Resolution.
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not exceed 10 per cent. of the Shares in issue as at the date of approval of the General Scheme Limit. For the purpose of calculating the General Scheme Limit, Options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option schemes of the Company) will not be counted.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (cc) above to Participants specifically identified by the Company before such approval is sought.

(d) Maximum entitlement of each Participant

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) to each Participant in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company in issue (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant, shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such Participant and his associates abstaining from voting.

(e) Grant of options to Connected Persons

- (aa) Any grant of Options under the New Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).
- (bb) In the event of any change in the terms of Options granted to a substantial shareholder or an independent non-executive director of the Company; or where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued

and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1 per cent. of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders. The Company must send a circular to the Shareholders. All Connected Persons of the Company must abstain from voting at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

(f) Time of acceptance and exercise of an Option

An offer of grant of an Option may be accepted by a Participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date on which the offer for the grant of Options is made but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof and to the minimum period for which the Option has to be held before it can be exercised as the Directors may at their discretion determine (“Option Period”). No minimum period for which the Option has to be held before it can be exercised is specified in the New Share Option Scheme.

(g) Performance targets

Unless otherwise determined and stated by the Directors in the offer of the grant of Options to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

(h) Subscription price for Shares

The subscription price for Shares under the New Share Option Scheme shall be a price determined by the Board, but shall not be lower than the higher of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotation sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of Shares as stated in the Stock Exchange’s daily quotation sheet for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the subscription price is

fixed at different prices for different periods during the Option Period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the aforesaid manner.

(i) Ranking of Shares

- (aa) Shares issued and allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company and the Companies Act 1981 of Bermuda and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry any voting rights until the completion of the registration of the grantee as the holder thereof.
- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

(j) Restrictions on the time of grant of Options

No offer of grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price sensitive information has been published by the Company in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company’s results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules), and (ii) the deadline for the Company to publish an announcement of its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no Option may be granted.

The Board may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(k) Period of the New Share Option Scheme

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes unconditional.

(l) Rights on ceasing employment

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or for serious misconduct or other grounds referred to in sub-paragraph (n) below before exercising his Option in full, the Option (to the extent which has become exercisable and not already exercised) will lapse on the date of cessation and will not be exercisable unless the Board otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Board may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(m) Rights on death

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his or her death before exercising the Option in full, his or her legal personal representative(s) may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part within a period of 12 months, following the date of death or such longer period as the Board may determine.

(n) Rights on dismissal

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he or she has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the Eligible Employee ceases to be an Eligible Employee.

(o) Rights on breach of contract

If the Directors will at their absolute discretion determine that the grantee of any Option (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors

generally, the Directors shall determine that the outstanding Option granted to the grantee shall lapse. In such event, his or her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(p) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his or her option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(q) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the day prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(r) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by Court be entitled to exercise his or her Option (to the extent such which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and

becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically on the date the proposed compromise or arrangement becomes effective.

(s) Adjustments to the subscription price or number of securities

In the event of capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company whilst an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares falling within the subject matter of the Share Option Scheme and the Option so far as unexercised or the subscription price for Shares provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he or she was entitled prior to such alteration and that the aggregate subscription price payable by a grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no alteration shall be made the effect of which would be enable a Share to be issued at less than its nominal value; and (iii) no such adjustment will be required in circumstances whether there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustment, other than any made on a capitalization issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

(t) Cancellation of Options

Any cancellation of Options granted but not exercised must be approved by the Board and the Shareholders in general meeting, with Participants and their associates abstaining from voting. Where the Company cancels Options and issues new ones to the same Optionholder, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the General Scheme Limit approved by Shareholders as mentioned in paragraph (c).

(u) Termination of the New Share Option Scheme

The Company may by resolution in general meeting at any time terminate the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(v) Rights are personal to the grantee

An Option is personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

(w) Lapse of option

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

- (aa) the expiry of the Option Period referred to paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraphs (l), (m), (n), (o), (p), (q) and (r);
- (cc) the date on which a breach of the provision restriction on transfer and assignment of an Option referred to in paragraph (v) is committed; and
- (dd) the date on which the eligible consultant's engagement with any member of the Group is terminated or otherwise comes to an end.

(x) Alteration of the New Share Option Scheme

- (aa) The following aspects of the New Share Option Scheme may be altered by resolution of the Board without the approval of the Shareholders:–
 - (i) the section relating to disputes resolution in connection with the New Share Option Scheme; and
 - (ii) the section relating to miscellaneous matters, including but not limited to, matters relating to the costs of establishing and administering the New Share Option Scheme and means of communication between the Company and the Grantee.
- (bb) The terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the Options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

- (dd) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules in force from time to time.

- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 00166)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of New Times Energy Corporation Limited (the “Company”) will be held at Board Room, 7/F, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 3:00 p.m. for the following purposes:

ORDINARY BUSINESS

1. to receive and consider the audited financial statements of the Company for the year ended 31 December 2010 together with the reports of the directors of the Company (the “Directors”) and auditors thereon;
2. to re-elect the following Directors and to authorize the board of Directors to fix all their remuneration:
 - (i) Mr. Chan Chi Yuen;
 - (ii) Mr. Fung Chi Kin; and
 - (iii) Mr. Fung Siu To, Clement;
3. to re-appoint Crowe Horwath (HK) CPA Limited as auditors and to authorize the Directors to fix its remuneration;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without modification, the following resolution:

As Ordinary Resolution of the Company:–

4. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Listing Rules, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (the “Shares”) or securities convertible into Shares, and to make or grant, offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) 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 bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors 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).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchanges on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases, and subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchanges (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 may be repurchased pursuant to the approval in paragraph (a) above of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of

NOTICE OF ANNUAL GENERAL MEETING

the share capital of the Company in issue as at the date of passing of this resolution and the approval in paragraph (a) above shall be limited accordingly;

- (c) subject to the passing of each of the paragraphs (a) and (b) above, any prior approvals of the kind referred to in paragraphs (a) and (b) above which had been granted to the Directors and which are still in effect be and are hereby revoked; 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 Bye-Laws of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon the passing of resolutions 4 and 5 as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution.”
7. “**THAT**
- (a) the existing share option scheme of the Company adopted on 30 August 2002 (the “**Existing Share Option Scheme**”) be and is terminated and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting listing of, and permission to deal in, the shares of HK\$0.10 each in the capital of the Company (“**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 new share option scheme (a copy of which is produced to the meeting and signed by the chairman of this meeting for the purpose of identification) (“**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted by the Company and the directors of the Company (“**Directors**”) be and are hereby authorized to allot, issue and deal

NOTICE OF ANNUAL GENERAL MEETING

in the Shares pursuant to the exercise of any options which may fall to be granted under the New Share Option Scheme and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme, and that to the extent permissible under the bye-laws of the Company, the Rules Governing the Listing of Securities on the Stock Exchange and the rules of the New Share Option Scheme, the Directors may vote in respect of any resolution(s) under or affecting the New Share Option Scheme (including the granting of options thereunder or approving the allotment and issue of Shares upon exercise of options thereunder) notwithstanding any interest(s) of any Director(s); and

- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to resolution numbered 7(a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes as may from time to time be adopted by the Company, shall not exceed 10 per cent of the Shares in issue as at the date of the passing of this resolution.”

By order of the Board of
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman and Executive director

Hong Kong, 8 April 2011

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

Room 1007-08
New World Tower I
18 Queen's Road Central
Central
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A Shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a Shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such person may vote at the meeting, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

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3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's branch share registrars, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. A form of proxy for use at the meeting is being despatched to the Shareholders of the Company together with a copy of this notice.

As at the date of this notice, the Board comprises seven Directors, of which two are executive Directors, namely Mr. Cheng Kam Chiu, Stewart, and Mr. Cheng Ming Kit; two non-executive Directors, namely Mr. Wong Man Kong, Peter, and Mr. Chan Chi Yuen; and three independent non-executive Directors, namely Mr. Fung Chi Kin, Mr. Fung Siu To, Clement and Mr. Chiu Wai On.