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If you have sold or otherwise transferred all your shares in Guangnan (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

**GENERAL MANDATES FOR THE REPURCHASE OF SHARES
AND THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57-73 Lockhart Road, Wanchai, Hong Kong at 11:30 a.m. on Friday, 28 May 2010, is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

19 April 2010

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57-73 Lockhart Road, Wanchai, Hong Kong at 11:30 a.m. on Friday, 28 May 2010, notice of which is set out on pages 14 to 18 of this circular or, where the context so admits, any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out on pages 14 to 18 of this circular;
“Articles of Association”	the articles of association of the Company, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance;
“Board”	the board of directors of the Company;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	Guangnan (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“controlling shareholder”	as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandates”	the Repurchase Mandate and the Issue Mandate;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong” or “HKSAR”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to issue Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant Ordinary Resolution to grant such mandate;

DEFINITIONS

“Latest Practicable Date”	14 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) in the AGM Notice;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase the Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant Ordinary Resolution to grant such mandate;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary” or “subsidiaries”	a company which is for the time being and from time to time a subsidiary (within the meaning of Section 2 of the Companies Ordinance) of the Company whether incorporated in Hong Kong or elsewhere;
“substantial shareholder”	as defined in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.



GUANGNAN (HOLDINGS) LIMITED

廣南(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1203)

Executive Directors:

LIANG Jiang (*Chairman*)
LI Li (*Deputy Chairman*)
TAN Yunbiao (*General Manager*)
SUNG Hem Kuen (*Chief Financial Officer*)

Registered Office:

22nd Floor
Tesbury Centre
No. 24–32 Queen's Road East
Hong Kong

Non-Executive Directors:

HUANG Xiaofeng
LUO Fanyu
HOU Zhuobing

Independent Non-Executive Directors:

Gerard Joseph McMAHON
TAM Wai Chu, Maria
LI Kar Keung, Caspar

19 April 2010

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES FOR THE REPURCHASE OF SHARES
AND THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM, and information on matters to be dealt at the AGM, inter alia:

- (a) the grant of General Mandates and the extension of the Issue Mandate to the Directors by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; and
- (b) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 5 June 2009, resolutions were passed giving general mandates to the Directors (i) to allot, issue and otherwise deal with new Shares of up to 20% of the issued share capital of the Company as at 5 June 2009; (ii) to repurchase Shares on the Stock Exchange of up to 10% of the issued share capital of the Company as at 5 June 2009; and (iii) to extend the general mandate to allot and issue Shares granted to the Directors by adding to it the number of Shares that has been repurchased by the Company.

Pursuant to the Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at the AGM. In order to provide continual flexibility to the Directors, resolutions will be proposed at the AGM to renew these mandates.

(a) Repurchase Mandate

At the AGM, an Ordinary Resolution, Ordinary Resolution No. 6 set out in the AGM Notice, will be proposed to grant a new general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, at any time during the Relevant Period (as defined in Ordinary Resolution No. 6(c) in the AGM Notice), Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of Ordinary Resolution No. 6. An explanatory statement setting out the requisite information regarding the Repurchase Mandate as required under the Listing Rules is set out in Appendix I to this circular.

As at the Latest Practicable Date, the number of Shares in issue was 905,723,285 Shares. Subject to the passing of the proposed resolution for approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a limit of 90,572,328 Shares.

(b) Issue Mandate

At the AGM, an Ordinary Resolution, Ordinary Resolution No. 5 set out in the AGM Notice, will be proposed to grant a new general and unconditional mandate to the Directors to issue, at any time during the Relevant Period (as defined in Ordinary Resolution No. 5(d) in the AGM Notice), Shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of Ordinary Resolution No. 5. In addition, an Ordinary Resolution, Ordinary Resolution No. 7 set out in the AGM Notice, will be proposed to extend the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

Subject to the passing of the proposed resolution for approving the Issue Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed under the Issue Mandate to issue up to a limit of 181,144,657 Shares as at the Latest Practicable Date.

3. RE-ELECTION OF DIRECTORS

According to the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the nearest number to but not exceeding one-third shall retire from office by rotation, provided that notwithstanding any provisions (if any) to the contrary in the Articles of Association and subject to any requirements on retirement of Directors by rotation as may be provided under the Listing Rules, every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Mr. Li Li, who was appointed as a Director after the annual general meeting of the Company held in 2009, will retire in accordance with Article 92 of the Articles of Association at the AGM. Being eligible, he will offer himself for re-election. Mr. Sung Hem Kuen, Ms. Hou Zhuobing and Ms. Tam Wai Chu, Maria will retire by rotation in accordance with Article 101 of the Articles of Association at the AGM. Being eligible, they will offer themselves for re-election. Particulars of the Directors who will retire at the AGM and being eligible, offer themselves for re-election are set out in Appendix II to this circular.

Pursuant to Appendix 14 of the Listing Rules, it is recommended that serving more than 9 years could be relevant to the determination of a non-executive director's independence. If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders.

Ms. Tam Wai Chu, Maria has been appointed as an Independent Non-Executive Director for more than nine years. Nonetheless, the Company has received confirmation from Ms. Tam as to her independence in compliance with the requirements of the Listing Rules and Ms. Tam has not engaged in any daily executive management of the Group. Taking into consideration of her independent scope of works in the past years, the Directors consider Ms. Tam to be independent under the Listing Rules despite the fact that she has served the Company for more than 9 years.

Accordingly, the Directors would like to seek the Shareholders' approval for the continuous appointment of Ms. Tam as an Independent Non-Executive Director.

LETTER FROM THE BOARD

4. THE AGM

The AGM Notice is set out in Appendix III to this circular. Shareholders are advised to read the AGM Notice and to complete and return the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding 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 meeting or any adjourned meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the AGM Notice will be decided by poll. An announcement of the poll results will be made after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATIONS

The Directors believe that the granting of the General Mandates and the re-election of Directors are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the Ordinary Resolutions at the AGM.

6. RESPONSIBILITY STATEMENT

This circular contains particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in respect herein misleading.

Yours faithfully,
For and on behalf of the Board
LIANG Jiang
Chairman

This appendix serves as an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate and also constitutes the memorandum required under section 49BA of the Companies Ordinance.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not at present intend to repurchase any Shares immediately, they believe that the flexibility afforded by the mandate granted to them if the relevant Ordinary Resolution to approve the grant of the Repurchase Mandate is passed would be beneficial to the Company.

It is proposed that up to 10% (in nominal amount) of the issued Shares on the date of the passing of the Ordinary Resolution may be repurchased. As at the Latest Practicable Date, 905,723,285 Shares were issued. On the basis of such figures, the Directors would be authorized to repurchase up to 90,572,328 Shares during the period from the passing of the Ordinary Resolution up to the conclusion of the next annual general meeting in 2011, or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association to be held, or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders at a general meeting of the Company, whichever of these three events occurs first.

REASONS FOR REPURCHASES

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

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such repurchase in accordance with its memorandum of association and the Articles of Association, the laws of Hong Kong and the Listing Rules. Repurchases pursuant to the Repurchase Mandate will be made out of funds of the Company legally permitted to be utilised in this connection, including the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2009) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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.

DISCLOSURE OF INTERESTS

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

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, if the Repurchase Mandate is exercised.

DIRECTORS' UNDERTAKING

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 Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the last 6 months immediately preceding the Latest Practicable Date.

TAKEOVERS CODE CONSEQUENCES

If, as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of its or their shareholding, 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, the immediate controlling shareholder of the Company, GDH Limited ("GDH"), was recorded in the registers required to be kept by the Company under section 336 of SFO as having an interest in 537,198,868 Shares, representing approximately 59.31% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by GDH and there is no other change to the issued share capital of the Company, the shareholding of GDH in the Company will be increased to approximately 65.90% of the reduced issued share capital of the Company immediately after the exercise in full of the Repurchase Mandate. The Directors are not aware of the consequences which would arise under the Takeovers Code as a result of any repurchases of Shares pursuant to the Repurchase Mandate. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

MARKET PRICES

The highest and lowest prices at which the Shares had traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were:

	Traded market price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.85	0.65
May	1.08	0.76
June	1.07	0.88
July	1.07	0.90
August	1.08	0.93
September	1.19	0.92
October	1.18	1.01
November	1.48	1.06
December	1.80	1.31
2010		
January	1.74	1.40
February	1.50	1.35
March	1.67	1.45
April (up to the Latest Practicable Date)	1.60	1.50

Set out below are the personal particulars of the Directors who offer themselves to be re-elected at the AGM:

Mr. LI Li, aged 54, was appointed an Executive Director and the Deputy Chairman of the Company in April 2010. Mr. Li graduated from the Sun Yat-Sen University, the PRC and the South China Normal University, the PRC. From May 2000 to July 2002, Mr. Li served as the Executive Vice Chairman of the Company. He was also an Executive Director and the Deputy Chairman of the Company from January 2008 to June 2009. He also acted as the chairman of certain subsidiaries of the Company. Between 1986 and 1998, Mr. Li worked in Guangdong Foreign Economic Relations and Trade Committee (the “Committee”). He was a deputy director of the Economic and Trade Administration Office of the Committee in 1995. Since September 1998, Mr. Li has acted as the general manager of Nam Yue Food Stuff & Aquatics Company Limited (“Nam Yue Food”) and Macau Wholesale Market Nam Yue Limited (“Macau Wholesale Market”) and then became the chairman of both companies since June 2001. Mr. Li was also the chairman of Nam Yue Luen Fung Trading Company Limited (“Luen Fung Trading”) since November 2004. On 16 March 2010, Mr. Li ceased to act as the chairman of Nam Yue Food, Macau Wholesale Market and Luen Fung Trading. The said three companies were incorporated in Macau Special Administrative Region of the PRC.

Other than as stated above, Mr. Li is not related to any Directors, senior management, or substantial or controlling shareholders of the Company, and has not held any directorship in any other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Li was interested in 1,417,000 Shares in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Li does not have any interests in Shares and/or underlying Shares in the Company or its associated corporations within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Li, if elected, will be appointed as an Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company’s annual general meeting to be held in 2013, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. Mr. Li is entitled to a total remuneration which comprises a fixed annual remuneration of HK\$591,500 and a discretionary bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company’s remuneration policy, operating performance and profitability.

Save as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a members’ voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Mr. Li was one of its directors or within 12 months after his ceasing to act as one of its directors.

As described above, since September 1998, Mr. Li has acted as the general manager of Nam Yue Food and Macau Wholesale Market. In December 1998, the Government of Guangdong Province initiated a debt restructuring for (among others) Nam Yue (Group) Co., Limited and its then subsidiaries (including Nam Yue Food and Macau Wholesale Market) (“Nam Yue Group”) (the “Restructuring”). On 21 December 2000, Nam Yue Group formally entered into (among others) a debt restructuring agreement and pursuant to which the creditors of Nam Yue Group agreed to participate in the Restructuring. The Restructuring of Nam Yue Group involved an amount estimated to be HK\$2,974 million and was completed on 22 December 2000. Prior to the completion of the Restructuring, Nam Yue Food and Macau Wholesale Market were indirectly wholly-owned by the Government of Guangdong Province. Upon the completion of the Restructuring, Nam Yue Food and Macau Wholesale Market became indirect wholly-owned subsidiaries of GDH Limited (“GDH”). GDH is the controlling shareholder of the Company. Currently, Nam Yue Group is not a subsidiary of GDH due to restructuring of Nam Yue Group in 2009.

Mr. Li considers his educational background, extensive experience, capabilities, character and integrity demonstrate that he is suitable to hold and commensurate with the position as an Executive Director of the Company. Accordingly, Mr. Li will offer himself for re-election as a Director at the AGM. The Company concurs with Mr. Li’s view as mentioned.

Save as described above, in relation to the re-election of Mr. Li as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Mr. SUNG Hem Kuen, aged 36, was appointed an Executive Director and the Chief Financial Officer of the Company in April 2008. He acted as a Company Secretary of the Company from June 2008 to April 2009. Mr. Sung graduated from The University of Hong Kong and holds a Bachelor’s degree in Business Administration. He has extensive experiences in auditing, accounting and corporate restructuring. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants in the United Kingdom. He is also a fellow member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Sung has worked in a major multinational certified public accountants for over 10 years. He was the assistant chief financial officer of Guangdong Investment Limited (“GDI”) before joining the Company.

Other than as stated above, Mr. Sung is not related to any Director, senior management or substantial or controlling shareholders of the Company and has not hold directorships in any other listed companies in the last three years.

As at the Latest Practicable Date, Mr. Sung had a derivative interest in respect of 900,000 Shares in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Sung does not have any interests in Shares and/or underlying Shares in the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Sung has entered into a service contract with the Company, and Mr. Sung, if elected, will be appointed as an Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2013, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. His total remuneration for the year ended 31 December 2009 was HK\$1,196,600, which comprised the fixed annual remuneration, allowance and other benefits of HK\$955,500, discretionary bonuses pegged to performance of HK\$211,100 and a total payment of HK\$30,000 for his pension scheme contributions. Such emoluments are determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Save as described above, in relation to the re-election of Mr. Sung as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Ms. HOU Zhuobing, aged 49, was appointed a Non-Executive Director of the Company in August 2006 and is also a director of Zhongyue Posco (Qinhuangdao) Tinplate Industrial Co., Ltd. She acted as a Non-Executive Director of the Company between May 2000 to July 2002. Ms. Hou graduated from the department of international finance of Jinan University, the PRC and obtained a Master's degree in Business Administration from Murdoch University, Australia. Ms. Hou has extensive experience in treasury management and had worked for Guangzhou International Trust Investment Co., Ltd., Development Zone Branch. She joined the finance department of Guangdong Enterprises (Holdings) Limited in 1988 and was the general manager of finance department of GDH between August 2000 to July 2002. After that, Ms. Hou acted as director and financial controller of Guangdong Teem (Holdings) Limited until July 2006 when she becomes the general manager of finance departments of Guangdong Holdings Limited and GDH.

Other than as stated above, Ms. Hou is not related to any Director, senior management or substantial or controlling shareholders of the Company and has not hold directorships in any other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Hou had a derivative interest in respect of 1,000,000 Shares in the Company within the meaning of Part XV of the SFO. Also, she is interested in 32,000 ordinary shares in GDI. Save as disclosed above, Ms. Hou does not have any interests in Shares and/or underlying Shares in the Company or its associated corporations within the meaning of Part XV of the SFO.

There is no service contract between the Company and Ms. Hou, if elected, will be appointed as an Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2013, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. She did not receive any emoluments from the Company for the year ended 31 December 2009. As a Non-Executive Director, Ms. Hou is entitled to such director's fee and director's emoluments as may be approved by the Board in accordance with the Articles of Association. Her emoluments (if any) will be determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Save as described above, in relation to the re-election of Ms. Hou as a Non-Executive Director of the Company, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Ms. TAM Wai Chu, Maria, *GBS, J.P., LL.D (Honoris Causa), LL.B. (Hons.), Barrister-at Law*, aged 64, was appointed an Independent Non-Executive Director of the Company in June 1999. Ms. Tam is also non-executive director of seven other Hong Kong listed companies, namely Wing On Company International Limited, Minmetals Land Limited, Sinopec Kantons Holdings Limited, Tong Ren Tang Technologies Co., Ltd., Sa Sa International Holdings Limited, Titan Petrochemicals Group Limited and Nine Dragons Paper (Holdings) Limited. Her public duties include being a member of the HKSAR Basic Law Committee under the Standing Committee of the National People's Congress PRC and a member of the National People's Congress PRC. Ms. Tam is also a member of the Operations Review Committee of the Independent Commission Against Corruption ("ICAC") and a member of the Witness Protection Review Board of the ICAC with effect from 1 January 2010.

Other than as stated above, Ms. Tam is not related to any Director, senior management or substantial or controlling shareholders of the Company and has not hold directorships in any other listed companies in the last three years.

As at the Latest Practicable Date, Ms. Tam was interested in 200,000 Shares in the Company within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Tam does not have any interests in Shares and/or underlying Shares in the Company or its associated corporations within the meaning of Part XV of the SFO.

There is no service contract between the Company and Ms. Tam, if elected, will be appointed as an Independent Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately 3 years expiring at the conclusion of the Company's annual general meeting to be held in 2013, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations. The total amount of Ms. Tam's emoluments as an Independent Non-Executive Director, and members of the audit committee, the compensation committee and the nomination committee amounted to HK\$300,000 for the year ended 31 December 2009. Ms. Tam is entitled to such director's fee and emoluments as may be approved by the Board in accordance with the Articles of Association. Her emoluments will be determined by reference to job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Save as described above, in relation to the re-election of Ms. Tam as an Independent Non-Executive Director of the Company, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

**GUANGNAN (HOLDINGS) LIMITED****廣南(集團)有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 1203)****NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Guangnan (Holdings) Limited (the “Company”) will be held at the Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Friday, 28 May 2010 at 11:30 a.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the auditors of the Company (the “Auditors”) for the year ended 31 December 2009.
2. To declare a final dividend for the year ended 31 December 2009.
3. To re-elect retiring Directors and authorize the Board of Directors to fix the remuneration of Directors.
4. To re-appoint Auditors and authorize the Board of Directors to fix their remuneration.

And as Special Business, to consider and, if thought fit, to pass with or without amendments, the following as ordinary resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:**
 - (a) subject to the other provisions of this resolution and pursuant to Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares of HK\$0.50 each in the capital of the Company (the “Ordinary Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Ordinary Shares or securities convertible into Ordinary Shares, and to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the Ordinary Shares allotted, issued or dealt with, or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Ordinary Shares, (iii) the exercise of options granted by the Company under any option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Ordinary Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20 per cent. of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Ordinary Shares open for a period fixed by the Company (or by the Directors) to holders of Ordinary Shares on the register of members (Ordinary Shares) of the Company on a fixed record date in proportion to their then holdings of such Ordinary Shares (subject to such exclusions 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 authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase ordinary shares of HK\$0.50 each in the capital of the Company (the “Ordinary Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and authorized by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Ordinary Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of this resolution; and
- (c) 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 the articles of association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening the annual general meeting, the aggregate nominal amount of the number of ordinary shares of HK\$0.50 each in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate nominal amount of share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution no. 5.”

By order of the Board
LO Wing Suet
Company Secretary

Hong Kong, 19 April 2010

Registered office:

22nd Floor
Tesbury Centre
24–32 Queen’s Road East
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote in his place and such proxy need not be a shareholder of the Company.
- (ii) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (iii) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company’s register of members in respect of the joint holding.
- (iv) The register of members of the Company will be closed from Wednesday, 26 May 2010 to Friday, 28 May 2010, both days inclusive, during such period no transfer of shares will be registered.
- (v) In order to qualify for the proposed final dividend for 2009, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 25 May 2010.

- (vi) In relation to resolution no. 5, approval is being sought from shareholders of the Company for a general mandate to authorize the issue of Ordinary Shares. The Directors wish to state that they have no immediate plans to issue any new Ordinary Shares pursuant to the general mandate so given.

- (vii) In relation to resolution no. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Ordinary Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. The Explanatory Statement containing the information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Ordinary Shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the Appendix I to this circular.

- (viii) In relation to resolution no. 7, approval is being sought from shareholders of the Company to extend the general mandate to authorize the issue of Ordinary Shares by adding the repurchased Ordinary Shares to the 20 per cent. general mandate to issue Ordinary Shares.