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NATIONAL ARTS HOLDINGS LIMITED
國藝控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8228)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “Meeting”) of National Arts Holdings Limited (the “Company”) will be held at Unit B, 2/F, Jone Murt Factory Building, 169 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 5 May 2011 at 10:30 a.m. for the following purposes:–

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 board of directors of the Company (the “Board”) and the auditors of the Company;
2. to re-elect directors of the Company (the “Directors”) and authorise the Board to fix the Directors’ remuneration;
3. to re-appoint the auditors of the Company and authorise the Board to fix their remuneration;
4. to consider as special business and, if thought fit, pass, with or without modification, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertibles into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

* *For identification purpose only*

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertibles into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to any officers and/or other participants of such scheme or arrangement of shares or rights to acquire shares of the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) an issue of shares in the Company upon the exercise of subscription or conversion rights attaching to any warrants which may be issued by the Company from time to time or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the date of 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 law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution; and

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving the right to subscribe for shares, open for a period fixed by the Directors to holders of shares whose names appear on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such shares (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

5. to consider as special business and, if thought fit, pass, with or without modification, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the GEM or any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company at the date of the passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 law of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution.”

6. to consider as special business and, if thought fit, pass, with or without modification, the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions nos. 4 and 5 being passed, the unconditional general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with any additional shares in the share capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertibles into shares of the Company) which might require the exercise of such power pursuant to resolution no. 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the issued share capital of the Company at the date of the passing of the said resolution.”

7. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares in the share capital of the Company (representing a maximum of 10% of the shares in issue as at the date of passing this Resolution) to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 29 September 2010 (“the Share Option Scheme”) and any other share option schemes of the Company, the refreshment of the scheme limit on grant of options under the Share Option Scheme and any other share option schemes of the Company up to 10% of the shares in issue as at the date of passing this Resolution (“the Refreshed Scheme Limit”) be and is hereby approved and the directors of the Company be and is hereby authorized to do such acts and execute such documents to implement the Share Option Scheme within the Refreshed Scheme Limit.”

By Order of the Board
National Arts Holdings Limited
Tang Yat Ming Edward
Chief Executive Officer

Hong Kong, 31 March 2011

Principal place of business in Hong Kong:

Unit B 2/F Jone Mult Factory Building

169 Wai Yip Street

Kwun Tong

Kowloon, Hong Kong

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Notes:

1. Every shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
2. A form of proxy in respect of the annual general meeting is enclosed herewith. Whether or not you intend to attend the annual general meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon.
3. In order to be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai,, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or, as the case may be, any adjournment thereof.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting if the shareholder of the Company so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any shares of the Company ("Shares"), any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the annual general 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. Several executors or administrators of a deceased member in whose name any Share stands shall for this purpose be deemed joint holders thereof.

As at the date of this announcement, the Board comprises of ten Directors, of which five are executive Directors, namely Miss Law Po Yee, Mr. Tang Yat Ming Edward, Mr. Li Sin Hung Maxim, Mr. Chow Kai Weng and Miss Sin Ho Yee; the non-executive Directors, namely Mr. Sin Kwok Lam and Mr. Lam Kwok Hing Wilfred; and the remaining are independent non-executive Directors, namely Mr. Chan Tin Lup Trevor, Mr. Chui Chi Yun Robert and, Dr. Wong Lung Tak Patrick.

This announcement, 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 issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.