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If you have sold all your shares in Net2Gather (China) Holdings Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



NET2GATHER (CHINA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

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

This circular, for which the directors of the Company (“Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange 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 in this circular misleading.

A notice convening an annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 21 May 2012, Monday, at 10:00 am is set out on pages 21 to 24 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

18 April 2012

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by an ordinary resolution to be passed by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 21 May 2012, Monday, at 10:00 am
“Auditors”	the auditors of the Company from time to time or an independent financial adviser
“associates”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands and a company controlled by Mr Kwan Pak Hoo Bankee (an executive director of the Company)
“CEO”	the chief executive officer of the Company
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange. It is currently an associate of the Company
“Company”	Net2Gather (China) Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
“connected persons”	has the same meaning ascribed in the Listing Rules
“Director(s)”	director(s) of the Company

DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at a special general meeting of the Company held on 19 February 2002, which had been expired and terminated on 19 February 2012
“Grantee(s)”	Participant(s) who is/are granted and has/have not declined Option(s), or any person(s) entitled to such Option(s) in consequence of the death of the original Grantee(s)
“Latest Practicable Date”	12 April 2012, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Member(s) of the Group”	(i) the Company; (ii) any subsidiary (as defined in the Companies Ordinance (Cap. 32) as amended from time to time) or associated company of the Company; and (iii) CFSG and any of its subsidiaries (as defined in the Companies Ordinance (Cap. 32) as amended from time to time) or associated companies
“New Share Option Scheme”	the 2012 share option scheme to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM
“Options”	as the context may require, a right granted under the New Share Option Scheme or the Existing Share Option Scheme to subscribe for Shares in accordance with the New Share Option Scheme or the Existing Share Option Scheme
“Option Period”	the period during which an Option may be exercised and which shall be fixed by the Board upon grant of the Option
“Option Share(s)”	Share(s) issued or issuable upon exercise of an Option

DEFINITIONS

“Participant(s)”	eligible participant(s) to the New Share Option Scheme, including any employee, director, consultant, adviser or agent of any Member of the Group, to whom Option(s) may be granted under the New Share Option Scheme by the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the period up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the resolution approving the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period up to a maximum of 20% of the issued share capital of the Company as at the date of the passing of the resolution approving the Share Issue Mandate
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price per Option Share at which the Grantee may subscribe for upon exercise of an Option
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



NET2GATHER (CHINA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

Executive Directors

KWAN Pak Hoo Bankee (*Chairman & CEO*)

LAW Ping Wah Bernard (*CFO*)

NG Kung Chit Raymond (*COO*)

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors

LEUNG Ka Kui Johnny

WONG Chuk Yan

CHAN Hak Sin

Principal place of business

28/F Manhattan Place

23 Wang Tai Road

Kowloon Bay

Hong Kong

18 April 2012

To Shareholders

Dear Sir/Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with:

- (a) information on the proposal to grant to the Directors the Repurchase Mandate which is required under rule 10.06(1)(a)(iii) of the Listing Rules to be approved by Shareholders by a specific or general approval;
- (b) information on the proposal to grant to the Directors the Share Issue Mandate;

LETTER FROM THE BOARD

- (c) information on the proposed adoption of the New Share Option Scheme to replace the Existing Share Option Scheme;
- (d) information on the re-election of the retiring Directors; and
- (e) the notice of the AGM at which ordinary resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the Share Issue Mandate, the adoption of the New Share Option Scheme to replace the Existing Share Option Scheme and the re-election of the retiring Directors.

A. THE REPURCHASE MANDATE

At the annual general meeting of the Company held on 18 May 2011, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Under the Listing Rules, such general mandate will lapse at the conclusion of the AGM. The Company is proposing an ordinary resolution in the AGM for granting the general mandate to the Directors to repurchase Shares up to 10% of the issued Shares of the Company as at the day of passing the resolution.

This circular statement contains all the information in relation to the Repurchase Mandate required pursuant to the Listing Rules which is set out as follows:

1. Reason for Share Repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2011. However, the Directors will 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 on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

2. Share Capital

As at the Latest Practicable Date, the Company has 3,694,318,577 Shares in issue and issued share capital of HK\$36,943,185.77.

On that basis and assuming no further Shares will be issued prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 369,431,857 Shares (representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution) representing share capital of HK\$3,694,318.57 being repurchased by the Company. Such Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein or the revocation of the Repurchase Mandate by an ordinary resolution of the Shareholders.

3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Directors propose that the repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

4. Marketing Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	0.620	0.510
May	0.630	0.485
June	0.600	0.195
July	0.237	0.186
August	0.205	0.107
September	0.123	0.072
October	0.175	0.064
November	0.199	0.103
December	0.128	0.090
2012		
January	0.127	0.101
February	0.150	0.104
March	0.132	0.100
April (up to the Latest Practicable Date)	0.105	0.093

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5. Share Repurchases made by the Company

During the previous 6 months prior to the date of this circular, the Company had not repurchased, sold or redeemed any of the listed securities of the Company.

6. General

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.

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, Cash Guardian, the single largest substantial Shareholder, and the parties acting in concert with it (with the meaning ascribed thereto under the Takeovers Code) and their associates collectively were beneficially interested in 1,182,301,378 Shares representing approximately 32.00% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of the substantial Shareholder and the parties acting in concert with it together with their associates in the Company would be increased to approximately 35.56% of the issued share capital, in which case, such increase may give rise to an obligation of the substantial Shareholder to make a mandatory general offer under rules 26 and 32 of the Takeovers Code. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that it will trigger the mandatory general offer under rules 26 and 32 of the Takeovers Code. The number of Shares held by the public will still be maintained at above 25% of the total number of Shares in issue in the event of exercise of the Repurchase Mandate in full.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

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

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B. THE SHARE ISSUE MANDATE

At the annual general meeting of the Company held on 18 May 2011, a general mandate was given by the Company to the Directors to exercise the powers of the Company to allot, issue and deal with 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 resolution and such general mandate was extended by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the authority to repurchase Shares granted on that date. Such general mandate will also lapse at the conclusion of the AGM.

The Board proposes to seek Shareholder's approval at the AGM to grant to the Directors the Share Issue Mandate. As at the Latest Practicable Date, the Company has an aggregate of 3,694,318,577 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Share Issue Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Issue Mandate to issue and allot up to 738,863,715 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date. At the AGM, an ordinary resolutions will also be proposed for authorizing an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if grant.

C. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME TO REPLACE THE EXISTING SHARE OPTION SCHEME

(i) Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 19 February 2002. Under the terms of the Existing Share Option Scheme, unless otherwise cancelled or amended, the Existing Share Option Scheme would remain in force for a period of 10 years from the date of its adoption. Accordingly, the Existing Share Option Scheme had been expired and terminated on 19 February 2012, and no further Option could thereafter be offered under the Existing Share Option Scheme. However, the rules of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any Option granted prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Existing Share Option Scheme. All Options granted under the Existing Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. As at the Latest Practicable Date, there were a total of 186,000,000 Options (being 24,000,000 Options held by Mr Kwan Pak Hoo Bankee (Director of the Company), 24,000,000 Options held by Mr Law Ping Wah Bernard (Director of the Company), 12,000,000 Options held by Mr Ng Kung Chit Raymond (Director of the Company), 96,000,000 Options held by employees and 30,000,000 Options held by consultants) remained outstanding under the Existing Share Option Scheme.

Apart from the Existing Share Option Scheme, the Company had no other subsisting share option scheme as at the Latest Practicable Date.

LETTER FROM THE BOARD

(ii) Adoption of the New Share Option Scheme

In view of the expiry and termination of the Existing Share Option Scheme, the Board proposes to adopt the New Share Option Scheme to replace the Existing Share Option Scheme.

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of incentivising, rewarding, remunerating, compensating and/or providing benefits to the Participants. The Participants include employees, directors, consultant, adviser or agent of any Members of the Group, including its subsidiaries and associated companies, as well as employees and directors of CFSG, its subsidiaries and associated companies in view of the on-going support given to the Company by CFSG and its group. The rules set out the basis for determining the minimum subscription price (as described in paragraph 4 of the Appendix I) and provide that the Company may specify the date or dates on which an Option will vest or may be exercised in the grant of an Option. The rules will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate. The Directors believe that these provisions, as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme.

The Board will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

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

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the New Share Option Scheme to replace the Existing Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

As at the Latest Practicable Date, there were 3,694,318,577 Shares in issue. Assuming that no further Share will be allotted, issued or repurchased prior to the AGM, the number of Shares which may fall to be issued pursuant to the New Share Option Scheme on the Adoption Date will be 369,431,857 Shares, representing approximately 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 10% of the Company's issued share capital as at the Adoption Date, which fall to be issued pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix I to this circular. A copy of the New Share Option Scheme will be available for inspection at 28/F Manhattan Place, 23 Wan Tai Road, Kowloon Bay, Hong Kong during normal business hours on any Business Day from the date of this circular to and including the date of the AGM and at the AGM.

(iii) Comparison with the terms of the New Share Option Scheme and the Existing Share Option Scheme

The terms of the New Share Option Scheme and the Existing Share Option Scheme are broadly similar. A few changes have been made to reflect changes to the Listing Rules and to market practice in this area since the Existing Share Option Scheme was adopted.

(iv) Valuation of the Options

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date prior to the approval of the New Share Option Scheme as the calculation of such value depends on a number of variables which cannot be ascertained at this stage, or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Such variables include, but are not limited to, the Subscription Price for the Shares to be issued upon the exercise of the Options, the period for which the Options can be exercised, and whether or not the Options granted will be exercised by the Grantees. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions will not be meaningful and may be misleading to the Shareholders.

D. RE-ELECTION OF THE RETIRING DIRECTORS

The following Directors shall retire and, being eligible, offer themselves for re-election by ordinary resolutions at the AGM:

Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being independent non-executive Directors, shall retire at the annual general meeting of the Company in each year in accordance with their terms of office of directorship.

Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II of this circular.

LETTER FROM THE BOARD

E. THE AGM

Notice of the AGM containing the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the Share Issue Mandate, the adoption of the New Share Option Scheme to replace the Existing Share Option Scheme and the re-election of the retiring Directors is set out on pages 21 to 24 of this circular for your consideration and approval. All the resolutions will be voted by way of poll at the AGM.

As at the Latest Practicable Date, no Shareholder had a material interest in the resolution with respect to the adoption of the New Share Option Scheme to replace the Existing Share Option Scheme at the AGM. As such, no Shareholder is required to abstain from voting on such resolution at the AGM.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

F. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:-

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual report of the Company for the year ended 31 December 2011; and
- (c) the New Share Option Scheme.

G. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the Share Issue Mandate, the adoption of the New Share Option Scheme to replace the Existing Share Option Scheme and the re-election of the retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolutions at the AGM.

On behalf of the Board
Bankee P. Kwan
Chairman & CEO

MAJOR TERMS OF THE NEW SHARE OPTION SCHEME

1. Participants of the New Share Option Scheme

The Participants of the New Share Option Scheme to whom Options may be granted by the Board shall include any employee, director, consultant, adviser or agent of any Member of the Group.

2. Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives to:-

- (a) award and retain the Participants who have made contribution to the Members of the Group; or
- (b) attract potential candidates to serve the Members of the Group for the benefit of the development of the Members of the Group.

3. Life of the New Share Option Scheme

The New Share Option Scheme shall be valid for 10 years from the Adoption Date after which no further Options shall be granted.

The New Share Option Scheme may also be terminated by the Board, or by the Shareholders in general meeting, after which no Options shall be granted. However, Options remaining unexpired immediately before termination thereof shall continue to be exercisable in accordance with their terms of issue.

4. Subscription Price

The Subscription Price of an Option shall be a price determined by the Board at its absolute discretion and notified to a Grantee and shall be no less than the highest of:-

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant which day must be a trading day; and
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 trading days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

5. Maximum number of the Option Shares available under the New Share Option Scheme and any other share option scheme of the Company

The maximum number of Shares issuable under all Options to be granted and other options to be granted under any other share option scheme of the Company to be granted shall not exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme.

This 10% maximum limit may be “refreshed” by the approval of the Shareholders in general meeting as far as the refreshed limit shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit.

However, the total maximum number of Shares which may be issued or issuable upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other options granted and yet to be exercised under any other share option scheme of the Company shall not exceed 30% of the Shares in issue from time to time.

6. The Option Shares entitled by each Grantee

The total number of the Option Shares issued and issuable upon exercise of the Options (including exercised and the outstanding Options and the Options cancelled in accordance with Clause 8 hereof) and other options granted under any other share option scheme of the Company to a Grantee within any 12 month period must not exceed 1% of the Shares in issue from time to time.

Attention is also drawn to the current requirement of Chapter 17 of the Listing Rules that:

- (a) any grant of Options to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option);
- (b) where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of Options already granted and to be granted to such person under the New Share Option Scheme and any other share option schemes of the Company (including the Options exercised, cancelled and outstanding) in any 12-months period up to and including the date of grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at each date of grant, in excess of HK\$5 million,

such further grant of the Options is required to be approved by the Shareholders in general meeting in accordance with the Listing Rules. All connected persons 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.

7. Exercise of the Options

Under the New Share Option Scheme, there is no requirement for a Grantee to fulfill any achievement or to hold the Option for a certain period before exercising the Option save as determined by the Board and provided in the offer of grant of the Options.

The Option Period shall be any period fixed by the Board upon grant of the Option but in any event the Option Period shall not go beyond 10 years from the date of offer for grant.

The grant of an Option is taken as accepted if the Grantee accepts in writing within 28 days from the date of grant together with a non-refundable remittance of HK\$1.00 in favour of the Company which acceptance shall be deemed to have taken effect with retrospective effect from the date of the offer of an Option. If such offer is not so accepted, it shall be deemed declined and shall lapse.

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating the number of the Option Shares in respect of which it is exercised and attaching a remittance for the aggregate amount of the Subscription Price multiplied by the number of the Option Shares in respect of which it is exercised after which the Company shall within 28 days therefrom issue the relevant share certificate(s) to the Grantee. The Option Shares issued upon the exercise of an Option shall rank *pari passu* with all then existing Shares in issue as at the date of exercise including voting rights and the entitlement of dividend and any distribution declared or made after the date of exercise.

An Option may be exercised at any time during the Option Period provided that an Option has not lapsed in accordance with Clause 9 below.

8. Cancellation of the Options

The Options granted but not exercised may, subject to the consent of the Grantee, be cancelled at the approval of the Board.

9. Lapse of the Options

An Option shall lapse on the earliest of:-

- (a) the expiry of the Option Period;
- (b) in the event of death of the Grantee, the expiry of 12 months from the death of the Grantee;
- (c) in the event other than Clause 9(b) above, the Grantee ceasing to be a Participant of the Members of the Group for whatever reason including misconduct, termination, resignation, retirement, expiry of service contract, which day of cessation shall be the last actual working day with or the service day for the Members of the Group;
- (d) 2 Business Days prior to the general meeting of the Company convened to resolve to voluntarily wind-up the Company (subject to clause 12 hereof) or prior to the proposed meeting to consider a compromise or arrangement between the Company and its members or creditors in relation to scheme for reconstruction or amalgamation of the Company subject to such winding-up or compromise or arrangement resolved to take place;
- (e) in the event of a general offer by way of takeover or scheme of arrangement being made to all the Shareholders, the expiry of the exercise period thereof as notified by the Company subject to such general offer taking place;
- (f) the date of commencement of winding-up of the Company;
- (g) the date on which the Grantee commits a breach of any term under the New Share Option Scheme or any term imposed by the Company on the Option; and
- (h) the date of approval by the Board to cancel the Option in accordance with Clause 8 hereof.

10. Non-transferability of the Options

Except for the transmission of an Option on the death of a Grantee to his/her personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Grantee to any other person. If a Grantee transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

11. Ranking of the Shares

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on a liquidation of the Company). The Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment.

They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to the Shares by reference to a date preceding the date of allotment. The Shares subject to the New Share Option Scheme are not required to be separately designated.

12. Rights on winding up

In the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to each Grantee and thereupon, every Grantee shall be entitled to exercise his/her Option (if not already exercised) to its full extent or to the extent specified (such exercise to occur not later than 2 Business Days prior to the proposed Shareholders' meeting referred to above) by notice in writing to the Company, stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised, accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given, and the Company shall, as soon as possible and, in any event, no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot such number of Shares to the Grantee which fall to be issued pursuant to the exercise of the Option. The Company shall give notice to the Grantee of the passing of such resolution within seven days after the passing thereof. Any Option not exercised 2 Business Days prior to the Shareholders' meeting above will lapse.

13. Alteration of terms upon change in share capital

In the event of any alteration in the capital structure of the Company, whether by way of capitalization of profits or reserves, rights issue, consolidation of shares, sub-division of shares, or reduction of the share capital of the Company (other than an issue of Shares as consideration in a transaction to which the Company is a party), whilst any Option remains outstanding, corresponding alterations (if any) shall be made to:-

- (a) the number of the Option Shares subject to the Option so far as unexercised, or
- (b) the Subscription Price,

or any combination thereof, as the Auditors shall certify in writing that such adjustments are fair and reasonable and such adjustments shall be made in the manner that:-

- (a) the proportion of the issued share capital of the Company to which the Grantee is entitled on an outstanding Option after adjustment shall be generally the same as previously entitled;
- (b) the adjusted number of the Option Shares entitled by the Grantee on an outstanding Option shall be in board lot size of the Shares; and
- (c) the adjusted Subscription Price shall not be less than the nominal value of a Share.

14. Alteration of terms of the New Share Option Scheme

- (a) The Board may amend any of the provisions of the New Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time and provided that amendments which are to the advantage of present or future Grantees and which relate to matters contained in Rule 17.03 of the Listing Rules are sanctioned by the Shareholders in general meeting.
- (b) Any alteration to the terms and conditions of the New Share Option Scheme which is of a material nature shall be subject to the approval of, inter alia, the Shareholders save where such alteration takes effect automatically under the terms of the New Share Option Scheme.
- (c) Any change in authority of the Board in relation to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.
- (d) Any amendment to any terms of the New Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Board has the absolute discretion to impose more restrictive terms on the terms of an Option upon the grant thereof.

15. Termination of the New Share Option Scheme

The Board may terminate the New Share Option Scheme at any time by resolving that no further Options shall be granted under the New Share Option Scheme. In such circumstances, no new grants of the Options under the New Share Option Scheme will be made and any Options which have been granted under the New Share Option Scheme but not yet exercised shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme.

Set out below is details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:

Mr Johnny Ka-kui LEUNG

Independent non-executive Director

- (a) Mr Leung, aged 54, joined the Board on 25 October 2000.
- (b) Mr Leung is also the chairman of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Leung is an independent non-executive director of United Holding Limited (formerly known as Guojin Resources Holdings Limited) (stock code: 630) and Phoenitron Holdings Limited (stock code: 8066). Save as disclosed above, Mr Leung has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. Mr Leung graduated from the University of London with a Bachelor of Laws.
- (e) There is no service contract entered into between the Company and Mr Leung but an appointment letter was signed between the Company and Mr Leung. The term of office of Mr Leung is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Leung is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Leung has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Leung was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Leung was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2011. Mr Leung's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Chuk-yan WONG*Independent non-executive Director*

- (a) Mr Wong, aged 50, joined the Board on 3 June 1998.
- (b) Mr Wong is also a member of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Wong has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Wong has extensive investment management experience in the global financial markets and is a portfolio manager of a large renowned investment counsel in Toronto, Canada and is responsible for the company's equity investments in the Asia Pacific region. Mr Wong graduated from the University of British Columbia, Canada with a Master of Science degree in Business Administration and from The Chinese University of Hong Kong with a Bachelor Degree of Business Administration. Mr Wong is also a Chartered Financial Analyst (CFA) charterholder and a Certified General Accountant of Canada.
- (e) There is no service contract entered into between the Company and Mr Wong but an appointment letter was signed between the Company and Mr Wong. The term of office of Mr Wong is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Wong is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Wong has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Wong was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) No director's fee was paid to Mr Wong for the year ended 31 December 2011. Mr Wong's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Dr Hak-sin CHAN*Independent non-executive Director*

- (a) Dr Chan, aged 50, joined the Board on 25 October 2000.
- (b) Dr Chan is also a member of the Audit Committee of the Company.
- (c) Dr Chan has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Dr Chan has extensive experience in the academia in the US as professor, researcher and consultant in the fields of corporate finance and international marketing. He is an associate professor in the Department of Marketing and Management at Hang Seng Management College as well as an adjunct associate professor in the Department of Marketing at The Chinese University of Hong Kong. Dr Chan graduated from the University of Wisconsin-Madison, US with a Doctor of Philosophy degree in Business and a Master Degree in Business Administration and from The Chinese University of Hong Kong with a Bachelor Degree in Business Administration.
- (e) There is no service contract entered into between the Company and Dr Chan but an appointment letter was signed between the Company and Dr Chan. The term of office of Dr Chan is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Dr Chan is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Dr Chan has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Dr Chan was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Dr Chan was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2011. Dr Chan's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

NOTICE OF THE AGM



NET2GATHER (CHINA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Net2Gather (China) Holdings Limited (“Company”) will be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 21 May 2012, Monday, at 10:00 am for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the year ended 31 December 2011.
2. A. To re-elect the following retiring Directors of the Company for the ensuing year:
 - (i) Mr Leung Ka Kui Johnny
 - (ii) Mr Wong Chuk Yan
 - (iii) Dr Chan Hak Sin
- B. To authorise the Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Directors to fix its remuneration.

As special businesses, to consider and, if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

4. A. **“THAT**
 - (a) subject to paragraph A(c), 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 capital of the Company 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;

NOTICE OF THE AGM

- (b) the approval in paragraph A(a) shall authorise the Directors of the Company during the Relevant Period (as defined hereinafter) 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 share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph A(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

1. the conclusion of the next annual general meeting of the Company;
2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
3. the revocation or variation of this resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members 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 of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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B. “THAT

- (a) subject to paragraph B(b), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange or on any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph B(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

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

- 1. the conclusion of the next annual general meeting of the Company;
- 2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- 3. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “THAT** conditional upon resolutions nos. 4A and 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no.4B above be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no.4A above.”

NOTICE OF THE AGM

5. “**THAT:**

- (a) subject to and conditional upon The Listing Committee of the Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the shares of the Company (not exceeding 10% of the Company’s issued share capital on the date of this resolution) which may fall to be issued upon the exercise of the options to be granted under the new share option scheme of the Company (“New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the Chairman of the meeting for identification purposes, the New Share Option Scheme be and is hereby approved and adopted and the Directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the shares which fall to be issued pursuant to the exercise of any option granted under the New Share Option Scheme and to take all such steps as may be necessary or expedient in order to give full effect to the New Share Option Scheme; and
- (b) the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders of the Company on 19 February 2002 (“Existing Share Option Scheme”), which had been expired and terminated on 19 February 2012, shall cease to have any further effect except that the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any option granted under the Existing Share Option Scheme prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Existing Share Option Scheme.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 18 April 2012

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed.
2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The biographical details of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being Directors proposed to be re-elected at the forthcoming annual general meeting, are provided in this circular.