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

If you have sold or transferred all your shares in China Liansu Group Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA LIANSU GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

**GENERAL MANDATES TO ISSUE AND REPURCHASE 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 Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 June 2011 at 10:00 a.m. is set out on pages 12 to 15 of this circular. A proxy form for use at the annual general meeting is also enclosed.

Whether or not you intend to attend the annual general meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to our share registrar in Hong Kong, 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 holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending, and voting in person at, the meeting or any adjourned meeting thereof should you so wish.

* *For identification purposes only*

21 April 2011

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 June 2011 at 10:00 a.m.
“AGM Notice”	the notice convening the AGM as set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Liansu Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to allot, issue and deal in Shares with a total nominal value not exceeding 20% of the total nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution
“Latest Practicable Date”	21 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association”	the memorandum of association of the Company as may be amended from time to time

DEFINITIONS

“PRC”	the People’s Republic of China, except where the context requires, geographical references to the PRC exclude Hong Kong, Macau and Taiwan
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares with a total nominal value not exceeding 10% of the total nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



CHINA LIANSU GROUP HOLDINGS LIMITED

中國聯塑集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2128)

Executive Directors:

Mr. Wong Luen Hei (Chairman)
Mr. Zuo Manlun
Ms. Zuo Xiaoping
Mr. Lai Zhiqiang
Mr. Kong Zhaocong
Mr. Chen Guonan
Mr. Lin Shaoquan
Mr. Huang Guirong
Mr. Luo Jianfeng

Non-executive Director:

Mr. Lin Dewei

Independent Non-Executive Directors:

Mr. Bai Chongen
Mr. Fung Pui Cheung
Mr. Wong Kwok Ho Jonathan

Registered office:

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head office in the PRC:

Liansu Industrial Estate
Longjiang Town
Shunde District
Foshan City
Guangdong Province

Principal place of business in Hong Kong:

Unit 3, 12th Floor, Tower 2
South Seas Centre
No. 75 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

21 April 2011

To the Shareholders

Dear Sir or Madam

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding the grant of the Issue Mandate and the Repurchase Mandate, the re-election of Directors in accordance with the

LETTER FROM THE BOARD

Articles of Association and to give you notice of the AGM at which resolutions will be proposed for our Shareholders to consider and, if thought fit, approve, among other matters, the aforesaid matters.

2. GENERAL MANDATE TO ISSUE SHARES

Pursuant to the written resolutions dated 14 May 2010 and passed by the then Shareholder of the Company, the Directors were given a general mandate to issue Shares.

Such general mandate to issue Shares will lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant the Issue Mandate. The Shares which may be allotted and issued pursuant to the Issue Mandate are up to 20% of the issued share capital of the Company on the date of passing the resolution approving the Issue Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 3,000,000,000 Shares. Subject to the passing of the ordinary resolutions approving the Issue Mandate and on the basis that no further new Shares will be issued or repurchased up to the AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 600,000,000 Shares. In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate, if granted. Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in paragraphs 5 and 7 of the AGM Notice.

3. GENERAL MANDATE TO REPURCHASE SHARES

Pursuant to the written resolutions dated 14 May 2010 and passed by the then Shareholder of the Company, the Directors were given a general mandate to repurchase Shares.

Such general mandate to repurchase Shares will lapse at the conclusion of the AGM. In order to ensure flexibility for the Directors to repurchase any Shares, it is necessary to grant the Repurchase Mandate at the AGM, and ordinary resolution set out in paragraph 6 of the AGM Notice will be proposed to seek the Shareholders' approval for granting of the Repurchase Mandate at such meeting. The Shares which may be repurchased pursuant to the Repurchase Mandate are up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Repurchase Mandate (being 300,000,000 Shares).

The Issue Mandate and Repurchase Mandate, if approved at the AGM, will continue in force until (a) the conclusion of next annual general meeting of the Company; or (b) 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 Cayman Islands to be held; or (c) revoked or varied by ordinary resolution by our Shareholders in general meeting, whichever occurs first.

In accordance with the Listing Rules, an explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in the Appendix I hereto.

LETTER FROM THE BOARD

4. RE-ELECTION OF RETIRING DIRECTORS

At the AGM, ordinary resolutions will also be proposed to re-elect Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang and Mr. Kong Zhaocong in accordance with the Articles of Association. To enable our Shareholders to make an informed decision on the re-election of retiring Directors, the biographical details of these retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in Appendix II to this circular.

5. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 12 to 15 of this circular. At the AGM, relevant resolutions will be proposed to approve, among other things, the granting of the Issue Mandate and the Repurchase Mandate and the re-election of the Directors.

6. ACTIONS TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM or any adjournment thereof, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 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 fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM if you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to have been revoked.

7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 13 of the Articles of Association.

8. RECOMMENDATION

The Directors consider that the granting of the Issue Mandate and the Repurchase Mandate, and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed at the AGM. No Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
China Liansu Group Holdings Limited
Wong Luen Hei
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide relevant information to you in connection with the Repurchase Mandate.

1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (a) the shares proposed to be purchased by the company are fully-paid up;
- (b) the company has previously sent to its shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the Listing Rules; and
- (c) the shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the provisions of Rule 10.06(1)(c) of the Listing Rules and which has been passed at a general meeting of the company duly convened and held and the company has delivered a copy of such resolution, together with the necessary supporting documentation, to the Stock Exchange in accordance with Rule 10.06(1)(d) of the Listing Rules.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully-paid up share capital of the Company comprised 3,000,000,000 Shares. Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 300,000,000 Shares.

3. REASON FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share. Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and our Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and the Articles of Association and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilized in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Companies Law, out of capital of the

Company and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company. The Company may not repurchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the Annual Report for the year ended 31 December 2010) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period from 23 June 2010 (the date of listing of the Shares on the Stock Exchange) up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2010		
23 June (being the date of listing of the Shares on the Stock Exchange) to 30 June	2.70	2.39
July	2.74	2.15
August	2.90	2.50
September	4.25	2.73
October	5.23	4.00
November	5.38	4.22
December	6.63	5.00
2011		
January	7.55	6.21
February	8.04	5.88
March	7.17	6.45
April (up to April 21)	7.88	6.71

7. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association and Articles of Association and the applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

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

8. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, New Fortune Star Limited being the controlling shareholders of the Company, have interest in 2,100,000,000 Shares representing approximately 70.0% of the total issued share capital of the Company.

The Directors are not aware of any consequences of the repurchases which would give rise under the Takeovers Code. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue may only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above.

However, the Directors do not propose to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

9. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company in the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

The biographical details of the 5 Directors proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTOR

Mr. Wong Luen Hei (黃聯禧), aged 49, is the founder of the Group, the Chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 14 years of experience in plastic pipe operations and management. He served as the chairman in Foshan Shunde Liansu Industrial Co., Ltd (佛山市順德區聯塑實業有限公司) ("Shunde Liansu Industrial") from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" (順德優秀民營企業家) by Shunde People's Government of Foshan (佛山市順德區人民政府) in 2003. Mr. Wong has been a member of Shunde District, Foshan City Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議佛山市順德區委員會) since 2003 and a vice president of Foshan Shunde Longjiang Chamber of Commerce (佛山市順德區龍江商會) since 2006. Mr. Wong is the spouse of Ms. Zuo Xiaoping.

Mr. Zuo Manlun (左滿倫), aged 38, is the Chief Executive of the Group and was appointed as an executive director of the Company on 27 February 2010. He is primarily responsible for the overall management of the daily business operations and sales of the Group. Mr. Zuo has approximately 11 years of experience in the plastic pipe industry. Mr. Zuo joined the Group in December 1999 and has held various positions in operation management since joining the Group. Mr. Zuo won several awards including "Outstanding Worker of the Plastic Industry in the PRC" (中國塑料行業先進工作者) by China Plastics Processing Industry Association (中國塑料加工工業協會) in 2009. Mr. Zuo is the brother-in-law of Mr. Wong Luen Hei and the younger brother of Ms. Zuo Xiaoping and Ms. Zuo Xiaoying.

Ms. Zuo Xiaoping (左笑萍), aged 44, is a Vice President of the Group and was appointed as an executive director of the Company on 27 February 2010. She is primarily responsible for procurement control and logistics management of the Group. Ms. Zuo has approximately 14 years of experience in the plastic pipe industry. Ms. Zuo served as a director of Shunde Liansu Industrial from December 1996. In 1999, upon establishing the Group together with Mr. Wong Luen Hei, she held various positions in procurement. Ms. Zuo is the spouse of Mr. Wong Luen Hei and the elder sister of Mr. Zuo Manlun and Ms. Zuo Xiaoying.

Mr. Lai Zhiqiang (賴志强), aged 45, is a Vice President of the Group and was appointed as an executive director of the Company on 27 February 2010. He is primarily responsible for the production and technical management of the Group. Mr. Lai has approximately 14 years of experience in the plastic pipe industry and served as a workshop manager of Shunde Liansu Industrial from December 1996 to November 1999. Mr. Lai joined the Group in December 1999 and has held various positions in production management since joining the Group.

Mr. Kong Zhaocong (孔兆聰), aged 45, is a Vice President of the Group and was appointed as an executive director of the Company on 27 February 2010. Mr. Kong is primarily responsible for the sales (excluding southern China) of the Group and has approximately 17 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory (佛山市東建塑料廠) from March 1993 to January 1999 and served as a manager in the production department of Shunde Liansu Industrial from January 1999 to November 1999.

As at the Latest Practicable Date, the interests and short positions of Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang and Mr. Kong Zhaocong and their associates in the shares, underlying shares and debentures of the Company or its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”) or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) of the Listing Rules were as follows:

Long Positions

(a) Ordinary shares of HK\$0.05 each of the Company

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Directors			
Mr. Wong Luen Hei	Held by controlled corporation ⁽¹⁾	2,100,000,000	70.00%
Ms. Zuo Xiaoping	Held by spouse ⁽²⁾	2,100,000,000	70.00%

(b) Share options

Name	Capacity	Number of underlying shares held under share options	Percentage of the issued share capital of the Company
Directors			
Mr. Wong Luen Hei	Held by spouse ⁽¹⁾	2,308,000	0.08%
Ms. Zuo Xiaoping	Beneficial owner ⁽²⁾	2,308,000	0.08%
Mr. Kong Zhaocong	Beneficial owner ⁽³⁾	2,308,000	0.08%
Mr. Lai Zhiqiang	Beneficial owner ⁽³⁾	2,308,000	0.08%
Chief executive			
Mr. Zuo Manlun	Beneficial owner ⁽³⁾	3,842,000	0.13%

Notes:

1. Mr. Wong Luen Hei, an executive director of the Company, is the sole shareholder of New Fortune Star Limited, which in turn owns 70% of the issued shares of the Company. Accordingly Mr. Wong Luen Hei is indirectly interested in 2,100,000,000 shares of the Company. Ms. Zuo Xiaoping was granted with 2,308,000 options with an exercise price of HK\$1.82 per share under the Pre-IPO share option scheme (“Pre-IPO Share Option Scheme”) adopted by the Company with effect from 14 May 2010. Mr. Wong Luen Hei is also the spouse of Ms. Zuo Xiaoping, and therefore Mr. Wong Luen Hei is deemed to be interested in all the shares of the Company in which Ms. Zuo Xiaoping is interested by virtue of the SFO.
2. Ms. Zuo Xiaoping is also the spouse of Mr. Wong Luen Hei, and therefore Ms. Zuo Xiaoping is deemed to be interested in all the shares of the Company in which Mr. Wong Luen Hei is interested by virtue of the SFO. Ms. Zuo Xiaoping was granted with 2,308,000 options with an exercise price of HK\$1.82 per share under the Pre-IPO Share Option Scheme.
3. All other directors’ interests represent the number of options granted to them with an exercise price of HK\$1.82 per share under the Pre-IPO Share Option Scheme.

Each of the retiring Directors has entered into a service contract with the Company for a term of three years commencing from 23 June 2011 until terminated by not less than three months’ notice in writing served by either party on the other. Subject to re-election, the amount of emoluments of Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang and Mr. Kong Zhacong for 2011 are proposed to be HK\$720,000, HK\$720,000, HK\$720,000, RMB300,000 and RMB300,000, respectively in addition to the bonus that may be granted, depending on the performance of 2011. The Directors’ fees and other emoluments are determined by the Board with reference to directors’ duties, responsibilities and performance and the results of the Group and the market rate of a director of other Hong Kong listed companies.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang and Mr. Kong Zhacong that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Their biographical details are also set out in the Annual Report for the year ended 31 December 2010.

NOTICE OF THE ANNUAL GENERAL MEETING



CHINA LIANSU GROUP HOLDINGS LIMITED 中國聯塑集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2128)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China Liansu Group Holdings Limited (the “Company”) will be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 June 2011 at 10:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements together with the directors’ report and the independent auditor’s report of the Company for the year ended 31 December 2010.
2. To declare a final dividend in respect of the year ended 31 December 2010.
3. To re-elect directors of the Company (the “Directors”) and to authorize the board of Directors to fix the Directors’ remuneration.
4. To re-appoint Ernst & Young as auditors of the Company and to authorize the board of Directors to fix their remuneration.

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

5. “THAT:
 - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares in the capital of the company to be issued either during or after the end of the Relevant Period (as hereinafter defined);

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements 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; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the total nominal value of the share capital of the Company in issue 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 of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by 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 of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases 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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock

NOTICE OF THE ANNUAL GENERAL MEETING

exchange on which the shares of the Company may be listed and which is 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/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal value of the shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph above during the Relevant Period (as hereinafter defined) shall not exceed 10 per cent. of the total nominal value of the share capital of the Company in issue at the date of the passing of this resolution (being 300,000,000 Shares), and the authority granted pursuant to paragraph (a) above shall 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 earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (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 the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors by this resolution.”
7. “THAT conditional upon the ordinary resolutions set out in paragraphs 5 and 6 of the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal in any unissued shares pursuant to the ordinary resolution set out in paragraph 5 of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate 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 the ordinary resolution set out in paragraph 6 of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the total nominal value of the share capital of the Company in issue at the date of the passing of this resolution.”

Hong Kong, 21 April 2011

By Order of the Board
Yuan Shuixian
Company Secretary

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Notes:

1. A member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the share registrar of the Company in Hong Kong, 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 for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 31 May 2011 to Friday, 3 June 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and to determine the identity of the shareholders who are entitled to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 30 May 2011. The ex-entitlement date is 27 May 2011.
4. Pursuant to Article 13 of the Articles of Association of the Company, the Chairman of the meeting will demand a poll on each of the resolutions put to the vote at the meeting.
5. With regard to ordinary resolutions set out in paragraphs 3 and 5 to 7 of this notice, a circular giving details of the re-electing of Directors and general mandates to issue and to repurchase Shares will be despatched to Shareholders on 28 April 2011. The biographical details of the retiring Directors who are subject to re-election at the meeting are set out in Appendix II to the circular.
6. As at the date of this notice, the Executive Directors of the Company are Mr. Wong Luen Hei, Mr. Zuo Manlun, Ms. Zuo Xiaoping, Mr. Lai Zhiqiang, Mr. Kong Zhaocong, Mr. Chen Guonan, Mr. Lin Shaoquan, Mr. Huang Guirong and Mr. Luo Jianfeng; the Non-executive Director is Mr. Lin Dewei; and the Independent Non-executive Directors are Mr. Bai Chongen, Mr. Fung Pui Cheung, Mr. Wong Kwok Ho Jonathan.

* For identification purposes only