
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by Hengxin Technology Ltd. (the “Company”). **If you are in any doubt** as to the action you should take, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your Shares in the capital of the Company, you should at once hand this Circular, the notice of the annual general meeting (the “AGM”) and attached proxy form to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser or transferee.

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This Circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities of the Company.

**HENGXIN TECHNOLOGY LTD.****亨鑫科技有限公司****(carrying on business in Hong Kong as HX Singapore Ltd.)**(Incorporated in Singapore with limited liability)**(Singapore Registration No.: 200414927H)***(Hong Kong Stock Code: 1085)****(Singapore Stock Code: I85)**

**THE PROPOSED NEW SHARE ISSUE MANDATE,
THE PROPOSED NEW SHARE PURCHASE MANDATE,
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the board of directors of the Company is set out from pages 4 to 8 of this Circular.

A notice convening the AGM (as defined herein) of the Company to be held at Meeting Room 310 (Level 3), Suntec Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2:30 p.m. (or any adjournment thereof) is set out on pages 27 to 34 of this Circular. If you are unable to attend the AGM, you are requested to complete and return the proxy form accompanying this Circular in accordance with the instructions printed thereon to the Company’s Singapore Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Shareholders), or to the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Hong Kong Shareholders), as soon as possible, and in any event not later than forty-eight (48) hours before the time of the AGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so wish.

* For identification purpose only

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Act” or “Companies Act”	The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“AGM”	The annual general meeting of the Company to be convened at Meeting Room 310 (Level 3), Suntec Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2:30p.m. (or any adjournment thereof), the notice of which is set out on pages 27 to 34 of this Circular
“Annual Report”	The annual report of the Company for FY2014
“Articles”	The articles of association of the Company as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	The board of directors of the Company
“CDP”	The Central Depository (Pte) Limited
“Circular”	This circular
“Company”	Hengxin Technology Ltd., a company incorporated in Singapore with limited liability and the Shares of which are primary listed on the Main Board of the SEHK and secondary listed on the Main Board of the SGX-ST
“Depositors”	Has the meaning ascribed to it by Section 130A of the Act
“Director(s)”	The director(s) of the Company, including the non-executive directors of the Company
“FY2014”	Financial year ended 31 December 2014
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administration Region of the People’s Republic of China
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the SEHK, as amended, modified or supplemented from time to time
“Hong Kong Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Latest Practicable Date”	23 February 2015, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Market Day”	A day on which the SGX-ST or the SEHK, as the case may be, is open for trading of securities
“Maximum Price”	Has the meaning ascribed to it in Section 1.3.4 of Appendix II
“Memorandum”	The memorandum of association of the Company as amended, modified or supplemented from time to time
“M&A”	The Memorandum and Articles
“New Share Issue Mandate”	Has the meaning ascribed to it in Section 3.2 of this Circular
“New Share Purchase Mandate”	Has the meaning ascribed to it in Section 4.2 of this Circular
“Previous Share Issue Mandate”	Has the meaning ascribed to it in Section 3.1 of this Circular
“Previous Share Purchase Mandate”	Has the meaning ascribed to it in Section 4.1 of this Circular
“Relevant Period”	The period commencing from the date on which the last annual general meeting of the Company was held before the resolution relating to the New Share Purchase Mandate is passed, and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier, after the date the resolution relating to the Previous Share Purchase Mandate is passed
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Securities Accounts”	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent (as defined in Section 130A of the Act)
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended, modified or supplemented from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	Registered holder(s) of Shares except that where the registered holder is CDP, the term “Shareholder(s)” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register (as defined in Section 130A of the Act) maintained by CDP and to whose securities accounts such Shares are credited
“Share(s)”	Ordinary shares in the capital of the Company

DEFINITIONS

“Singapore Listing Manual”	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Singapore Takeovers Code”	The Singapore Code on Take-overs and Mergers
“S\$”, “SGD” or “\$” and “cents”	Singapore dollars and cents respectively
“2014 AGM”	Has the meaning ascribed to it in Section 3.1 of this Circular
“%”	Percentage and per centum

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Singapore Listing Manual, the Hong Kong Listing Rules, the SFO or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Singapore Listing Manual, the Hong Kong Listing Rules, the SFO, as amended, modified or supplemented from time to time.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.



HENGXIN TECHNOLOGY LTD.
亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)

(Incorporated in Singapore with limited liability)

(Singapore Registration No.: 200414927H)

(Hong Kong Stock Code: 1085)

(Singapore Stock Code: I85)

Directors:

Cui Genxiang

(Executive Chairman and Executive Director)

Xu Guoqiang *(Executive Director)*

Cui Wei *(Non-Executive Director)*

Zhang Zhong *(Non-Executive Director)*

Tay Ah Kong Bernard

(Independent Non-Executive Director)

Chee Teck Kwong Patrick

(Independent Non-Executive Director)

Tam Chi Kwan Michael

(Independent Non-Executive Director)

Dr. Li Jun *(Independent Non-Executive Director)*

Pu Hong *(Independent Non-Executive Director)*

Registered Office:

10 Anson Road,
#32-15 International Plaza,
Singapore 079903

**Head office and principal place of
business in Singapore:**

7 Temasek Boulevard,
#04-02B Suntec Tower One,
Singapore 038987

23 March 2015

To: The Shareholders of Hengxin Technology Ltd.

Dear Sir/Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
THE PROPOSED NEW SHARE ISSUE MANDATE
AND
THE PROPOSED NEW SHARE PURCHASE MANDATE
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this Circular serves to provide you with information on the resolutions to be proposed at the AGM for the approval of the New Share Issue Mandate, the New Share Purchase Mandate, and the re-election of the retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 89 of the Articles, Mr. Xu Guoqiang and Mr. Tay Ah Kong Bernard shall retire at the forthcoming AGM. While being eligible, Mr. Tay Ah Kong Bernard has decided not to offer himself for re-election, and he will be retiring as the Independent non-executive Director of the Company from the date of the forthcoming AGM. The other retiring Director, namely Mr. Xu Guoqiang, being eligible, will offer himself for re-election at the forthcoming AGM.

Pursuant to Article 88 of the Articles, Mr. Cui Wei, Dr. Li Jun and Mr. Pu Hong were appointed by the Board as Directors and each of them shall hold office only until the forthcoming AGM and, being eligible, will offer themselves for re-election.

3. THE PROPOSED NEW SHARE ISSUE MANDATE

- 3.1 At the annual general meeting of the Company held on 23 April 2014 (the “**2014 AGM**”), notice of which was given on 19 March 2014, the Directors have been granted a share issue mandate (the “**Previous Share Issue Mandate**”).
- 3.2 As the Previous Share Issue Mandate granted at the 2014 AGM will expire at the conclusion of the forthcoming AGM or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, the Directors propose for the adoption of a new share issue mandate (the “**New Share Issue Mandate**”) at the forthcoming AGM.
- 3.3 The Company has converted its listing status on the Main Board of the SGX-ST from a primary listing to a secondary listing on 8 September 2014 and will not be required to comply with the Singapore Listing Manual save for Rule 217 of the Singapore Listing Manual. Rule 217 requires the Company:
 - (a) to release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released to the SEHK;
 - (b) to inform the SGX-ST of any issue of additional ordinary Shares and the decision of the SEHK on the listing and quotation of the additional securities issued by the Company; and
 - (c) to comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing).
- 3.4 Going forward, following the conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST, the Company will comply with the requirements under the Companies Act, the Singapore Takeovers Code, the Hong Kong Takeovers Code and the Hong Kong Listing Rules for matters relating to the New Share Issue Mandate.
- 3.5 The Hong Kong Listing Rules provide that the New Share Issue Mandate shall be subject to a restriction that the aggregate number of Shares allotted or agreed to be allotted under the New Share Issue Mandate must not exceed twenty per cent. (20%) of the existing issued share capital of the Company.

LETTER FROM THE BOARD

3.6 The New Share Issue Mandate, once approved, will continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

4. THE PROPOSED NEW SHARE PURCHASE MANDATE

4.1 At the 2014 AGM, the Directors were granted the share purchase mandate to exercise all the powers of the Company to purchase or acquire Shares (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury Shares) in the capital of the Company (as ascertained as at the date of the 2014 AGM), at the price of up to but not exceeding:

- (a) in the case of an on-market purchase (the “**Market Purchase**”), one hundred and five per cent. (105%) of the average closing price of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company; and
- (b) in the case of an off-market purchase (the “**Off-Market Purchase**”), one hundred and twenty per cent. (120%) of the average closing price of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the date of the Off-Market Purchase by the Company,

(the “**Previous Share Purchase Mandate**”).

4.2 As the Previous Share Purchase Mandate granted pursuant to the 2014 AGM will expire at the conclusion of the forthcoming AGM, the Directors propose for the adoption of a new share purchase mandate (the “**New Share Purchase Mandate**”) at the forthcoming AGM.

4.3 As mentioned in paragraph 3.3 above, the Company has converted its listing status on the Main Board of the SGX-ST from a primary listing to a secondary listing on 8 September 2014 and will not be required to comply with the Singapore Listing Manual save for Rule 217 of the Singapore Listing Manual.

4.4 Going forward, following the conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST, the Company will comply with the requirements under the Companies Act, the Singapore Takeovers Code, the Hong Kong Takeovers Codes and the Hong Kong Listing Rules for matters relating to the New Share Purchase Mandate.

4.5 The New Share Purchase Mandate, once approved, will continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

LETTER FROM THE BOARD

- 4.6 As at the Latest Practicable Date, the number of Shares in issue was 388,000,000. Accordingly, assuming that the Company has not issued or repurchased its Shares during the Relevant Period, the exercise of the New Share Purchase Mandate in full of up to the maximum limit of ten per cent. (10%) of its issued Shares, once approved, would enable the Company to repurchase a maximum of 38,800,000 Shares. The New Share Purchase Mandate will provide flexibility to the Directors to purchase or acquire Shares whenever it is in the interest of the Company.
- 4.7 An explanatory statement setting out the details of the New Share Purchase Mandate is attached as Appendix II of this circular.

IMPORTANT: Notwithstanding the adoption of the New Share Issue Mandate and the New Share Purchase Mandate, the Company shall from time to time comply with the relevant requirements under the Hong Kong Listing Rules in relation to issuance of securities, in particular Rules 7.19(6) and 13.36 thereof.

5. DIRECTORS' RECOMMENDATIONS

- 5.1 The Board is pleased to recommend the retiring Directors, whose details are set out in Appendix I to this Circular, for re-election at the AGM.
- 5.2 The Board considers that the re-election of the retiring Directors, the New Share Issue Mandate and the New Share Purchase Mandate are in the interests of the Group and are not prejudicial to the Shareholders as a whole.
- 5.3 Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions relating to the re-election of the retiring Directors, the New Share Issue Mandate and the New Share Purchase Mandate as set out in the notice of AGM of the Company to be proposed at the AGM.

6. ANNUAL GENERAL MEETING

The AGM, the notice of which is circulated with this Circular, will be held at Meeting Room 310 (Level 3), Suntec Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2:30 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions in relation to the re-election of the retiring Directors, the New Share Issue Mandate and the New Share Purchase Mandate.

Pursuant to Article 59 of the Articles and Rule 13.39(4) of the Hong Kong Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf will find attached to this Circular a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event to arrive at the Company's Singapore Principal

LETTER FROM THE BOARD

Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Shareholders), or to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders) and in any event not later than forty-eight (48) hours before the time fixed for the AGM (or any adjournment thereof). Completion and return of a proxy form by a Shareholder will not preclude a Shareholder from attending and voting in person at the AGM (or any adjournment thereof) if a Shareholder finds that he/she is able to do so. In such event, the relevant proxy form will be deemed to be revoked.

8. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular includes the particulars given in compliance with the Companies Act and the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts in relation to the re-election of the retiring Directors, the proposed adoption of the New Share Issue Mandate and the proposed adoption of the New Share Purchase Mandate, and the Directors are not aware of any other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading. Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

9. GENERAL INFORMATION

Your attention is drawn to the information as set out in Appendix I and Appendix II of this Circular.

Yours faithfully,
For and on behalf of the Board of
Hengxin Technology Ltd.
Cui Genxiang
Executive Chairman

Set out below are particulars of the Directors proposed to be re-elected at the AGM.

MR. XU GUOQIANG (“Mr. Xu”), Executive Director

Mr. Xu Guoqiang (徐國強), aged 42, was appointed as our executive Director and General Manager of Jiangsu Hengxin on 20 December 2011, and assists Mr. Cui Genxiang in respect of the business development of our Group. Prior to his appointment, Mr. Xu was the Senior Deputy General Manager of Jiangsu Hengxin and was responsible for planning, implementing and overseeing the production of our products and technical related matters.

Mr. Xu obtained a Bachelor of Business Administration from Shanghai Jiaotong University in 2005 and an EMBA from Sichuan University in 2010. From 1994 to 1999, Mr. Xu worked in Wujiang Miao Du Cable Co., Ltd. as Workshop Supervisor. From 1999 to May 2006, he worked in Jiangsu Hengtong Photoelectric Co. Ltd. (a company listed on the Shanghai Stock Exchange, Stock Code: 600487) and held various positions including Quality Control Supervisor, Quality Control Assistant Manager and Production Manager. Prior to joining Jiangsu Hengxin in August 2010, Mr. Xu worked at Chengdu Hengtong Optic Communications Co. Ltd. as General Manager since 2006.

Mr. Xu has received several awards for his production and technical achievements, including an International Professional Manager Award and a nomination as National Enterprise Midlevel Management Talent in 2004.

Save as disclosed above, Mr. Xu does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Xu has not held any directorship in the last three (3) years in other public companies the securities of which are listed on the securities market in Hong Kong and overseas.

As at the Latest Practicable Date, Mr. Xu was not deemed to be interested in any Shares. Mr. Xu has entered into a service contract with the Company for a term of three (3) years commencing on 20 December 2014, pursuant to which Mr. Xu agreed to act as an Executive Director for a term of three (3) years commencing on 20 December 2014. Mr. Xu is subject to retirement by rotation and is eligible for re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Mr. Xu will not be drawing salary pursuant to his service contract. Pursuant to the said service contract, Mr. Xu shall be entitled to management bonus in such sum as the Board may in its absolute discretion decide.

Save as disclosed above, Mr. Xu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

MR. CUI WEI (“Mr. Cui Wei”), Non-Executive Director

Mr. Cui Wei (崔巍), aged 28, is our Non-Executive Director and was appointed on 14 October 2014. Mr. Cui Wei holds a bachelor degree in Mechanical Engineering from the Saint Louis University and a master degree in Engineering Management from the University of Southern California. Mr. Cui Wei has experience in direct investment and management of equity interests and debentures, and is currently an investment analyst of a subsidiary of a state-owned corporation which is triple-listed on the New York Stock Exchange, the SEHK and the Shanghai Stock Exchange.

Mr. Cui Wei’s father is the elder brother of Mr. Cui Genxiang, the Executive Director and the Executive Chairman of the Company. Mr. Cui Wei and his father hold ten per cent. (10%) and ninety per cent. (90%) equity interests respectively in Hengtong Group Co., Ltd., which holds approximately thirty-seven point eight-one per cent. (37.81%) equity interest in Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司) (Shanghai stock code: SH600487), the shares of which are listed on the Shanghai Stock Exchange.

Save as disclosed above, Mr. Cui Wei is not connected with any Directors, senior management or substantial Shareholders of the Company and did not hold any directorships in the last three (3) years in any other listed companies on the SEHK, the SGX-ST and any other stock exchange.

As at the Latest Practicable Date, Mr. Cui Wei was deemed to be interested in 90,294,662 ordinary Shares of the Company, representing approximately twenty-three point two-seven per cent. (23.27%) of the Company’s entire issued share capital, through Kingever Enterprises Limited which is wholly owned by him. Mr. Cui Wei entered into a letter of appointment with the Company on 14 October 2014, pursuant to which Mr. Cui Wei agreed to act as a Non-Executive Director for an initial term of three (3) years commencing on 14 October 2014, which may be terminated by either party giving not less than three (3) months’ prior notice in writing to the other, or in accordance with other terms thereof. Mr. Cui Wei is subject to retirement by rotation and is eligible for re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Mr. Cui Wei is entitled to an annual director’s fee of HK\$366,000 pursuant to his letter of appointment, which was determined with reference to his roles and responsibilities and the prevailing market conditions.

Save as disclosed above, Mr. Cui Wei has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

DR. LI JUN (“Dr. Li”), Independent Non-Executive Director

Dr. Li Jun (李珺), aged 53, is our Independent Non-Executive Director and was appointed on 6 March 2015. Dr. Li obtained his doctorate degree of philosophy in Political Economy from Oxford University in the United Kingdom in 1994. He was a senior manager and director of a number of securities and investment companies in Hong Kong and had an extensive experience in international financial market. Dr. Li was appointed as an independent non-executive director of Sun Century Group Limited (formerly known as

Hong Long Holdings Limited) (stock code: 1383) until 1 June 2012 and an independent non-executive director of Zhejiang Glass Company Limited (stock code: 739) until 31 May 2013. He is currently an independent non-executive director of CMMB Vision Holdings Limited (stock code: 0471).

As at the Latest Practicable Date, Dr. Li is entitled to an annual director's fee of HK\$300,000 pursuant to his letter of appointment, which was determined with reference to his roles and responsibilities and the prevailing market conditions.

Save as disclosed above, Dr. Li has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

MR. PU HONG (“Mr. Pu”), Independent Non-Executive Director

Mr. Pu Hong (浦洪), aged 50, is our Independent Non-Executive Director and was appointed on 6 March 2015. Mr. Pu holds a Masters in Accounting and Finance obtained from Anhui Finance and Economics College, a Masters of Finance obtained from the Cass Business School of City University London, and a Doctorate from the China University of Politics and Law. Mr. Pu is currently a senior partner and company securities lawyer with Deheng Law Offices (Shenzhen). His main areas of practice encompasses a wide range of corporate advisory work such as mergers and acquisitions, corporate restructuring and initial public offerings.

As at the Latest Practicable Date, Mr. Pu is entitled to an annual director's fee of HK\$300,000 pursuant to his letter of appointment, which was determined with reference to his roles and responsibilities and the prevailing market conditions.

Save as disclosed above, Mr. Pu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.

THE PROPOSED NEW SHARE PURCHASE MANDATE**1. The New Share Purchase Mandate*****1.1 Background***

At the 2014 AGM, the Shareholders had approved the renewal of the Previous Share Purchase Mandate to enable the Company to purchase or to otherwise acquire issued Shares in the capital of the Company. Unless revoked or varied by the Company in general meeting, the authority contained in the Previous Share Purchase Mandate was expressed to continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

The Company has converted its listing status on the Main Board of the SGX-ST from a primary listing to a secondary listing on 8 September 2014 and will not be required to comply with the Singapore Listing Manual save for Rule 217 of the Singapore Listing Manual. Rule 217 requires the Company:

- (a) to release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released to the SEHK;
- (b) to inform the SGX-ST of any issue of additional ordinary shares and the decision of the SEHK on the listing and quotation of the additional securities issued by the Company; and
- (c) to comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing).

Going forward, following the conversion of the Company's listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST, the Company will comply with the requirements under the Companies Act, the Singapore Takeovers Code, the Hong Kong Takeovers Code and the Hong Kong Listing Rules for matters relating to the New Share Purchase Mandate.

As the Previous Share Purchase Mandate granted at the 2014 AGM will expire at the conclusion of the forthcoming AGM, the Directors propose for the adoption of the New Share Purchase Mandate at the forthcoming AGM.

1.2 Rationale

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued shares (i.e. ordinary shares, stocks and preference shares) if it is expressly permitted to do so by the company's articles of association. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Hong Kong Listing Rules, and such other laws and regulations as may, for the time being, be applicable.

The adoption of the New Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares if and when circumstances permit during the period that the New Share Purchase Mandate is in force. Share purchases or

acquisitions provide the Company and its Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the earnings per Share (the “EPS”) and/or the net tangible assets (the “NTA”) per Share, and will only be made when the Directors believe that such purchases or acquisitions of Shares will benefit the Company and the Shareholders as a whole.

Share purchases or acquisitions also allow the Directors to exercise control over the Company’s share capital structure with a view to enhance the EPS and/or the NTA per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued and help to buffer short-term share price volatility and offset the effects of share price speculation, thereby boosting Shareholders’ confidence and employees’ morale.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases (as defined above), after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Directors will only make purchases or acquisitions of Shares pursuant to the New Share Purchase Mandate when they consider it to be in the interests of the Company and the Shareholders as a whole, and in circumstances which they believe from time to time will not result (a) in any material adverse effect on the working capital, gearing position or financial position of the Company or the Group as compared with the positions disclosed in the audited consolidated financial statements set out in the Annual Report in the event that the New Share Purchase Mandate is to be exercised in full at any time during the proposed share purchase period, or (b) in the Company being delisted from the SEHK or the SGX-ST or any other securities exchange or being insolvent. It should be noted that the purchases or acquisitions pursuant to the New Share Purchase Mandate may not be carried out to the full limit as mandated.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares during the twelve (12) months preceding the Latest Practicable Date.

1.3 Authority and limits of the New Share Purchase Mandate

The authority and limits placed on the New Share Purchase Mandate are summarised as follows:

1.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company pursuant to the New Share Purchase Mandate shall not exceed ten per cent. (10%) of the issued Shares of the Company as at the date of the last annual general meeting held before the resolution authorizing the New Share Purchase Mandate is passed or as at the date of the resolution authorizing the New Share Purchase Mandate is passed (the “Approval Date”), whichever is higher, unless the Company has, at any time during the Relevant Period, reduced

its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Under the Companies Act, any Shares which are held as treasury shares shall be disregarded for the purposes of computing the ten per cent. (10%) limit. As at the Latest Practicable Date, no Shares were held as treasury shares.

For illustration purposes only, on the basis of 388,000,000 Shares in issue (none of which were treasury shares) as at the Latest Practicable Date, being 23 February 2015, not more than 38,800,000 Shares (representing ten per cent. (10%) of the Shares in issue as at the Latest Practicable Date) may be purchased or acquired by the Company pursuant to the New Share Purchase Mandate.

1.3.2 Duration of the New Share Purchase Mandate

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (b) the date on which the Share purchases or acquisitions are carried out to the full extent mandated under the New Share Purchase Mandate; or
- (c) the date on which the authority conferred by the New Share Purchase Mandate is revoked or varied by the Company in general meeting,

whichever is the earliest.

The New Share Purchase Mandate may be renewed by Shareholders' approval at the subsequent annual general meeting of the Company or other general meeting of the Company.

1.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) Market Purchase, transacted on the SEHK, the SGX-ST and/or on any other securities exchange on which the Shares are listed and/or quoted, through one or more duly licensed dealers appointed by the Company for that purpose; and/or
- (b) Off-Market Purchase, in accordance with an equal access scheme for the purchase or acquisition of Shares from Shareholders.

In relation to Off-Market Purchases, the Directors may impose such terms and conditions which are not inconsistent with the New Share Purchase Mandate, the Hong Kong Listing Rules and the Companies Act as they consider fit in the

interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C of the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) offers under the scheme must be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each member is left with a whole number of Shares.

1.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses (the “**Related Expenses**”)) to be paid for the Shares purchased or acquired pursuant to the New Share Purchase Mandate will be determined by the Directors.

However, the purchase price to be paid for the Shares purchased or acquired pursuant to the New Share Purchase Mandate as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined below) of the Shares,

in either case, excluding Related Expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means:

- (aa) in the case of a Market Purchase, the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the the SEHK, the SGX-ST or as the case may be, such other stock exchange on which the Shares are listing or quoted, immediately preceding the date of the Market Purchase by the Company; or

(bb) in the case of an Off-Market Purchase, the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded on the SEHK, the SGX-ST or as the case may be, such other stock exchange on which the Shares are listing or quoted, immediately preceding the Date of the Making of the Offer pursuant to the Off-Market Purchase,

and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period; and

“**Date of the Making of the Offer**” means the date on which the Company makes an offer for the purchase or acquisition of the Shares to holders of Shares, stating the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

1.4 Source of funds

In purchasing or acquiring Shares pursuant to the New Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Articles, the Companies Act, the Hong Kong Listing Rules and any other applicable laws and regulations.

Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may be made out of the Company’s capital and/or profits, so long as the Company is solvent.

For this purpose, a company is “solvent” if:

- (i) the company is able to pay its debts in full at the time of payment for the purchase or acquisition of the Shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of the payment; and
- (ii) the value of the company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition or release, become less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the Company know or ought to know affect, or may affect, such values.

Under the Articles, the Company may purchase or otherwise acquire any of its issued shares out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of such purchase or acquisition.

The Company intends to use internal resources, or external borrowings, or a combination of both to fund the purchases of Shares pursuant to the New Share Purchase Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of Shares pursuant to the New

Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, and in accordance with the requirements as stated above pursuant to the Companies Act.

1.5 Status of purchased Shares

Under the Companies Act, the Company may choose to hold the purchased Shares as treasury Shares or to cancel them. The Articles also allows the Company to hold purchased Shares as treasury Shares. Accordingly, the Company has the discretion to hold the purchased Shares as treasury Shares or to cancel them.

However, as the Company is now primarily listed on the SEHK, it has to comply with the Hong Kong Listing Rules. Under Rule 10.06(5) of the Hong Kong Listing Rules, the listing of all Shares which are purchased by the Company (whether on the SEHK or otherwise) shall be automatically cancelled upon purchase and the Company must apply for listing of any further issues of that type of Shares in the normal way. The Company shall ensure that the documents of title of purchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation). The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company.

Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

1.6 Reporting requirements

- 1.6.1 Within thirty (30) days of the passing of the Shareholders' ordinary resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such ordinary resolution with the Accounting & Corporate Regulatory Authority (the "ACRA").
- 1.6.2 The Company shall also notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST, SEHK or otherwise, in the prescribed form. Such notification shall include details of the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether Shares were purchased or acquired out of profits or capital of the Company, and such other particulars as may be required in the prescribed form.
- 1.6.3 While the Hong Kong Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the New Share Purchase Mandate at any time after a price sensitive development has occurred or has

been the subject of a decision until the price sensitive information has been publicly announced. In particular, for the purposes of the foregoing, the Company will not purchase or acquire any Shares through Market Purchase during the period commencing one (1) month immediately preceding the earlier of:

- (a) the date of the board meeting (as such date is first notified to the SEHK or the SGX-ST) for the approval of the results announcement for the full financial year or half-year; and
- (b) the deadline for the Company to publish an announcement of its results for any full financial year or half-year (whether or not required under the Hong Kong Listing Rules),

and ending on the date of the results announcement.

1.7 Financial effects

The financial effects on the Group arising from the purchases or acquisitions of Shares which may be made pursuant to the New Share Purchase Mandate will depend on, inter alia, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares or the amount (if any) borrowed by the Company to fund the purchases or acquisitions. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

1.7.1 Purchase or acquisition out of profits and/or capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the capital and/or profits of the Company so long as the Company is solvent.

Under the Articles, the Company may purchase or otherwise acquire any of its issued shares out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of such purchase or acquisition.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

After the purchased or acquired Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the purchased or acquired Shares will be made to:

- (a) the share capital of the Company where the Shares were purchased out of the capital of the Company;
- (b) the profits of the Company where the Shares were purchased out of the profits of the Company; or
- (c) the share capital and profits of the Company proportionately where the Shares were purchased out of both the capital and profits of the Company.

1.7.2 Number of Shares acquired or purchased

For illustration purposes only, as at the Latest Practicable Date, the number of Shares in issue was 388,000,000. Accordingly, assuming that the Company has not issued or repurchased its Shares during the Relevant Period, the exercise of the New Share Purchase Mandate in full of up to the maximum limit of ten per cent. (10%) of its issued Shares, once approved, would enable the Company to repurchase a maximum of 38,800,000 Shares.

1.7.3 Maximum Price paid for Shares acquired or purchased

In the case of the Market Purchases by the Company, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the New Share Purchase Mandate, the Company purchases the maximum number of 38,800,000 Shares at the Maximum Price of S\$0.235 per Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 38,800,000 Shares is approximately S\$9,118,000, excluding Related Expenses.

In the case of the Off-Market Purchases by the Company, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the New Share Purchase Mandate, the Company purchases the maximum number of 38,800,000 Shares at the Maximum Price of S\$0.265 per Share (being the price equivalent to twenty per cent. (20%) above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 38,800,000 Shares is approximately S\$10,282,000, excluding Related Expenses.

1.8 Taxation

Shareholders who are in doubt as to their respective tax positions or tax implications of Shares purchased by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

1.9 Listing status

The Company is required under Rule 8.08 of the Hong Kong Listing Rules to ensure that at least twenty-five per cent. (25%) of its Shares are in the hands of the public. According to the Hong Kong Listing Rules, the SEHK will not regard any connected person of the Group as a member of “the public” or Shares held by a connected person as being “in public hands”. In addition, the SEHK will not recognise as a member of “the public”:

- (a) any person whose acquisition of securities has been financed directly or indirectly by a core connected person; and/or
- (b) any person who is accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in his/her name or otherwise held by him/her.

As at the Latest Practicable Date, there are 269,622,813 Shares in the hands of the public, representing sixty-nine point forty-nine per cent. (69.49%) of the issued Shares of the Company. Assuming that the Company purchases or acquires its Shares through Market Purchases up to the full ten per cent. (10%) limit pursuant to the New Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 230,822,813 Shares, representing sixty-six point ten per cent. (66.10%) of the remaining issued Shares of the Company (on the assumption that the purchased Shares are cancelled).

In undertaking any purchases or acquisitions of its Shares, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share purchases or acquisitions will not:

- (a) adversely affect the listing status of the Shares on both the SGX-ST and the SEHK;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of the Shares.

1.10 Suspension of purchase or acquisition

1.10.1 The Company will not effect or undertake any Share purchases or acquisitions prior to the announcement of any price-sensitive information by the Company, until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Singapore Listing Manual.

1.10.2 The Company will not effect or undertake any Share purchases or acquisitions on the SEHK or the SGX-ST during the period commencing one (1) month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the SGX-ST or the SEHK) for the approval of the results announcement for the financial year or half-year, and (ii) the deadline for the Company to publish an announcement of its results

for any year or half-year (whether or not required under the Hong Kong Listing Rules or the Singapore Listing Manual), and ending on the date of the results announcement.

1.11 (A) Implications under the Singapore Takeovers Code

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Singapore Takeovers Code (“**Rule 14**”). Consequently, depending on the number of Shares purchased or acquired by the Company and the total number of Shares in the capital of the Company at that time, a Shareholder and persons acting in concert with him could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

Under the Singapore Takeovers Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert with each other:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) the following companies:
 - (aa) a company;
 - (bb) the parent company of (aa);
 - (cc) the subsidiaries of (aa);
 - (dd) the fellow subsidiaries of (aa);
 - (ee) the associated companies of any of (aa), (bb), (cc) or (dd);
 - (ff) companies whose associated companies include any of (aa), (bb), (cc), (dd), or (ee); and
 - (gg) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (iii) the following persons and entities:
 - (aa) an individual;
 - (bb) the close relatives of (aa);

- (cc) the related trusts of (aa);
- (dd) any person who is accustomed to act in accordance with the instructions of (aa);
- (ee) companies controlled by any of (aa), (bb), (cc), or (dd); and
- (ff) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a general offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Singapore Takeovers Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Singapore Takeovers Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a general offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Singapore Takeovers Code, a Shareholder not acting in concert with the Directors will not be required to make a general offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the New Share Purchase Mandate.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Kingever Enterprises Limited (which is wholly owned by Mr. Cui Wei) has an interest in 90,294,662 Shares, representing twenty-three point two-seven per cent. (23.27%) of the issued capital of the Company, and Mr Cui Wei is deemed to be a substantial Shareholder by reason of the

90,294,662 Shares held by Kingever Enterprises Limited. The entire Shares held by Kingever Enterprises Limited are registered in the Branch Register of Members in Hong Kong.

As at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 as a result of the purchase or acquisition by the Company of the maximum limit of ten per cent. (10%) of its issued Shares as at the Latest Practicable Date.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer under the Singapore Takeovers Code as a result of any purchase or acquisition of Shares by the Company pursuant to the New Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity before they acquire any Shares in the Company during the period when the New Share Purchase Mandate is in force.

(B) Implications under the Hong Kong Takeovers Code

If, on the exercise of the power to purchase or acquire the Shares pursuant to the New Share Purchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Hong Kong Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Hong Kong Takeovers Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Kingever Enterprises Limited (which is wholly owned by Mr. Cui Wei) has an interest in 90,294,662 Shares, representing twenty-three point two-seven per cent. (23.27%) of the issued capital of the Company, and Mr. Cui Wei is deemed to be a substantial Shareholder by reason of the 90,294,662 Shares held by Kingever Enterprises Limited. In the event that the Directors exercise in full the power to purchase or acquire Shares under the New Share Purchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of Kingever Enterprises Limited in the Company will be increased to approximately twenty-five point eight-six per cent (25.86%) of the issued share capital of the Company.

The Directors are not aware of any consequence which may arise under the Hong Kong Takeovers Code as a result of any purchases or acquisitions made under the New Share Purchase Mandate.

The Directors do not have a present intention to exercise the power to purchase or acquire the Shares to the extent which will trigger off the mandating offer requirement pursuant to the rules of the Hong Kong Takeovers Code.

1.12 Share purchase or acquisition made and Share price on the SEHK

1.12.1 The Company has not made any Market Purchases on the SEHK or the SGX-ST or Off-Market Purchases in the twelve (12) months preceding the date of this Circular.

1.12.2 Pursuant to Rule 10.06(1)(b)(x) of the Hong Kong Listing Rules, the Company is required to state the share prices traded on the SEHK during each of the previous twelve (12) months in the Explanatory Statement. The highest and lowest prices at which the Shares were traded on the SEHK in each of the following months:

Month	Share price	
	Highest HK\$	Lowest HK\$
2014	1.92	1.10
March	1.79	1.09
April	1.29	1.11
May	1.50	1.10
June	1.36	1.13
July	1.25	1.10
August	1.92	1.18
September	1.70	1.48
October	1.59	1.25
November	1.62	1.20
December	1.58	1.28
2015		
January	1.60	1.60
February (up to the Latest Practicable Date)	1.36	1.50

1.13 Directors' and substantial Shareholders' interests

As at the Latest Practicable Date, the shareholdings of the Directors and the substantial Shareholders in the Company before and after the purchase or acquisition of Shares (assuming that the purchased Shares are cancelled) pursuant to the New Share Purchase Mandate, based on the Register of Director's Shareholdings and the Register of Substantial Shareholders of the Company, are as follows:

	Before Share Purchase			After Share Purchase		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	(No. of Shares)	(No. of Shares)	(%)	(No. of Shares)	(No. of Shares)	(%)
Directors						
Cui Genxiang	—	—	—	—	—	—
Xu Guoqiang	—	—	—	—	—	—
Cui Wei ⁽¹⁾	—	90,294,662	23.27	—	90,294,662	25.86
Zhang Zhong ⁽²⁾	—	28,082,525	7.24	—	28,082,525	8.04
Tay Ah Kong Bernard	—	—	—	—	—	—
Chee Teck Kwong Patrick	—	—	—	—	—	—
Tam Chi Kwan Michael	—	—	—	—	—	—
Dr. Li Jun Pu Hong	—	—	—	—	—	—
Substantial Shareholders						
Kingever Enterprises Limited	90,294,662	—	23.27	90,294,662	—	25.86
Wellahead Holdings Limited	28,082,525	—	7.24	28,082,525	—	8.04

NOTES:

- (1) Mr. Cui Wei holds 100% of the total issued share capital of Kingever Enterprises Limited. Pursuant to Section 7 of the Companies Act, Mr. Cui Wei is deemed to be interested in the Shares held by Kingever Enterprises Limited.
- (2) Ms. Zhang Zhong holds 100% of the total issued share capital of Wellahead Holdings Limited. Pursuant to Section 7 of the Companies Act, Ms. Zhang Zhong is deemed to be interested in the Shares held by Wellahead Holdings Limited.

Shareholders should note that the figures in the above table are set out for illustrative purposes only and calculated on the assumption that (i) the maximum amount of ten per cent. (10%) of the Shares of the Company purchased under the New Share Purchase Mandate will be cancelled and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and the substantial Shareholders.

As at the Latest Practicable Date, Kingever Enterprises Limited has an interest in 90,294,662 Shares, representing twenty-three point two-seven per cent. (23.27%) of the issued capital of the Company. Mr. Cui Wei is deemed to be a substantial Shareholder

by reason of the 90,294,662 Shares held by Kingever Enterprises Limited. Wellahead Holdings Limited has an interest in 28,082,525 Shares, representing seven point two-four per cent. (7.24%) of the issued capital of the Company. Ms. Zhang is deemed to be a substantial Shareholder by reason of the 28,082,525 Shares held by Wellahead Holdings Limited. In the event that the Company purchases a maximum of 38,800,000 Shares, being ten per cent. (10%) of the total number of Shares in issue, from the Shareholders other than Kingever Enterprises Limited and Wellahead Holdings Limited, the resultant shareholding interest of Kingever Enterprises Limited and Wellahead Holdings Limited in the Company would increase from twenty-three point two-seven per cent. (23.27%) and seven point two-four per cent. (7.24%) respectively to approximately twenty-five point eight-six per cent. (25.86%) and eight point zero-four per cent. (8.04%) respectively. Based on the foregoing and representations made by Kingever Enterprises Limited and Wellahead Holdings Limited to the Company, the New Share Purchase Mandate, even if fully utilized, would not trigger the provisions of the Singapore Takeovers Code requiring Kingever Enterprises Limited or Wellahead Holdings Limited, and/or persons acting in concert with them to incur an obligation to make a take-over offer under Rule 14 of the Singapore Takeovers Code.

Based on the above information, as at the Latest Practicable Date, none of the Directors and parties acting in concert with them will become obligated to make a general offer in the event that the Company purchases the maximum number of 38,800,000 Shares under the New Share Purchase Mandate. Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder and parties acting in concert with them who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 38,800,000 Shares.

1.14 Directors, substantial shareholders, their associates and connected persons

None of the Directors nor substantial Shareholders, and to the best of their knowledge having made all reasonable enquiries, none of their associates, have any present intention, in the event that the New Share Purchase Mandate is approved by the Shareholders at the AGM, to sell Shares to the Company under the New Share Purchase Mandate.

No core connected persons of the Company has notified the Company that he or she has a present intention to sell any Shares to the Company or its subsidiaries, or that he or she has undertaken not to sell any Shares held by him or her to the Company, in the event that the New Share Purchase Mandate is granted by the Shareholders at the AGM.

1.15 Directors' undertaking

The Directors have undertaken to the SEHK that they will exercise the power of the Company pursuant to the New Share Purchase Mandate in accordance with the Hong Kong Listing Rules, the Articles, the Companies Act and the applicable laws of the Republic of Singapore so far as the same may be applicable.

NOTICE OF ANNUAL GENERAL MEETING



HENGXIN TECHNOLOGY LTD. 亨鑫科技有限公司*

(carrying on business in Hong Kong as HX Singapore Ltd.)

(Incorporated in Singapore with limited liability)

(Singapore Registration No.: 200414927H)

(Hong Kong Stock Code: 1085)

(Singapore Stock Code: I85)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Hengxin Technology Ltd. (the “**Company**”) will be held at Meeting Room 310 (Level 3), Suntec Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 27 April 2015 at 2:30 p.m. and at any adjournment thereof for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the directors’ report and the audited financial statements of the Company and the Group for the year ended 31 December 2014 together with the auditors’ report thereon.
2. To note the retirement of Mr Tay Ah Kong Bernard as a Director of the Company pursuant to Article 89 of the Company’s Articles of Association. (Mr Tay Ah Kong Bernard who is retiring pursuant to Article 89 of the Company’s Articles of Association has indicated that he will not be seeking re-election as a Director of the Company.)
3. To re-elect the following directors of the Company (the “**Directors**”) retiring pursuant to the Articles of Association of the Company:

(Resolution 1)

Mr. Xu Guoqiang (Article 89)

(Resolution 2)

Mr. Cui Wei (Article 88)

(Resolution 3)

Dr. Li Jun (Article 88)

(Resolution 4)

Mr. Pu Hong (Article 88)

(Resolution 5)

[See Explanatory Note (i)]

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

4. To approve the payment of additional Directors' fees of S\$12,986 for the financial year ended 31 December 2014. **(Resolution 6)**
5. To approve the payment of Directors' fees of S\$116,000 and HK\$1,635,935 for the financial year ending 31 December 2015 (2014:S\$356,000). **(Resolution 7)**
6. To re-appoint Messrs Deloitte & Touche LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
7. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Singapore Companies Act, Cap. 50 (the "**Companies Act**"), and the Rules Governing the Listing of Securities (the "**Hong Kong Listing Rules**") of the Stock Exchange of Hong Kong Limited (the "**SEHK**").

That pursuant to Section 161 of the Companies Act and the Hong Kong Listing Rules, the Directors be authorised and empowered to:

- (a) (i) issue shares in the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

(the "**Share Issue Mandate**")

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provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), 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 the aggregate of twenty per cent. (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SEHK) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent consolidation or subdivision of shares;

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- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Hong Kong Listing Rules for the time being in force (unless such compliance has been waived by the SEHK) and the articles of association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 9)

9. **Adoption of New Share Purchase Mandate**

That for the purposes of Sections 76C and 76E of the Singapore Companies Act, Cap. 50, the Directors be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) of up to ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of the the Annual General Meeting) at the price of up to but not exceeding the Maximum Price as defined in paragraph 1.3.4 under Appendix II attached to the Company's circular dated 23 March 2015 (the "**Circular**"), in accordance with the "Authority and limits of the New Share Purchase Mandate" set in the Circular, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 10)

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10. **Authority to issue shares under the Hengxin Share Option Scheme**

That pursuant to Section 161 of the Companies Act, the Directors be authorised and empowered to offer and grant options (the “**Options**”) under the share option scheme of the Company (the “**Scheme**”) and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be transferred or issued pursuant to the exercise of the Options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 11)

By Order of the Board of
Hengxin Technology Ltd.
Shirley Lim Guat Hua
Company Secretary
Singapore, 23 March 2015

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Explanatory Notes:

- (i) Mr. Xu Guoqiang will, upon re-election as a Director of the Company, remain as an Executive Director and he will be considered non-independent.

Mr. Cui Wei will, upon re-election as a Director of the Company, remain as a Non-Executive Director and member of the remuneration committee and nominating committee of the Company and he will be considered non-independent.

Dr. Li Jun will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and as a member of the audit committee and nominating committee of the Company and he will be considered independent.

Mr. Pu Hong will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director, a member of the audit committee, remuneration committee and nominating committee of the Company and he will be considered independent.

- (ii) The Ordinary Resolution 9 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding the aggregate of twenty per cent. (20%) of the existing issued share capital of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

For the purpose of this resolution,

“**Rights Issue**” means an offer of shares of the Company or issue of options, 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).

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- (iii) The Ordinary Resolution 10 above, if passed, will empower the Directors from the date of the Annual General Meeting until the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, to purchase or acquire ordinary shares of the Company by way of Market Purchases or Off-Market Purchases on an equal access scheme of up to ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined under paragraph 1.3.4 under Appendix II attached to the Circular, unless this authority is varied or revoked by the Company in a general meeting. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Circular.
- (iv) The Ordinary Resolution 11 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per cent. (15%) of the issued shares in the capital of the Company from time to time.

IMPORTANT: Notwithstanding the passing of the Ordinary Resolution Nos. 9, 10 and 11, the Company shall from time to time comply with the relevant requirements under the Hong Kong Listing Rules in relation to issuance of securities, repurchase of shares and issuance of shares under share option scheme.

Notes:

1. A member of the Company (the “**Member**”) entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a Member. Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
2. The instrument appointing a proxy, and if the instrument appointing a proxy is signed by an attorney, the letter or power of attorney or a duly certified copy thereof, must be deposited at the Company’s Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Shareholders), or at the office of the Company’s Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Hong Kong Shareholders), not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.
3. If the Member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

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4. A depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act) of the Company and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such depositor is a corporation, should complete the depositor proxy form under seal or the hand of its duly authorised officer or attorney and lodge the same at the office of the Company's Singapore Principal Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not later than forty-eight (48) hours before the time appointed for the Annual General Meeting.

5. The Principal Share Registrar and Branch Share Registrar of the Company will be closed from 16 April 2015 to 27 April 2015 (both days, inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Shareholders), or at the office of the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders) not later than 4:30 p.m. on 15 April 2015.