
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 or transfer 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)

(Stock Code: 1085)

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

A letter from the board of directors of the Company is set out from pages 5 to 9 of this Circular.

A notice convening the AGM of the Company to be held at Room A, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 26 April 2019 at 10:00 a.m. (or at any adjournment thereof) is set out on pages AGM-1 to AGM-7 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 Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in Singapore), 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 Shareholders registered in Hong Kong), as soon as possible and in any event not later than forty-eight (48) hours before the time of the AGM (or at any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM (or at 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 or the context requires otherwise:

“2018 AGM”	has the meaning ascribed to it in Section 3.1 of Letter from the Board in this Circular
“ACRA”	the Accounting and Corporate Regulatory Authority of Singapore
“AGM”	the annual general meeting of the Company to be convened at Room A, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 26 April 2019 at 10:00 a.m. (or at any adjournment thereof), the notice of which is set out on pages AGM-1 to AGM-7 of this Circular
“Annual Report”	the annual report of the Company for FY2018
“Board”	the board of Directors
“Circular”	this circular
“Companies Act”	the Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“Company”	Hengxin Technology Ltd., a company incorporated in Singapore with limited liability and the Shares of which are listed on the Main Board of the SEHK
“Constitution”	the constitution of the Company, previously known as its memorandum and articles of association which were in force immediately before the Companies (Amendment) Act 2014 which took effect in Phases on 1 July 2015 and 3 January 2016 respectively, as amended, modified or supplemented from time to time
“Controlling Shareholder(s)”	has the meaning as ascribed to this term under the Hong Kong Listing Rules
“Core Connected Person(s)”	has the meaning as ascribed to this term under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“EPS”	earnings per Share

DEFINITIONS

“FY2018”	the financial year ended 31 December 2018
“Group”	the Company and its subsidiaries
“Hengxin (Jiangsu)”	Jiangsu Hengxin Technology Co., Ltd. (江蘇亨鑫科技有限 公司), a limited liability company established in the People’s Republic of China and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	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 as approved by the Securities and Futures Commission of Hong Kong, as amended, modified or supplemented from time to time
“Latest Practicable Date”	15 March 2019, being the latest practicable date prior to the printing of this Circular
“Market Day”	a day on which the SEHK is open for trading of securities
“Market Purchase”	has the meaning ascribed to it in Section 4.1(a) of Letter from the Board in this Circular
“Maximum Price”	has the meaning ascribed to it in Section 1.3.4 of Appendix II to this Circular
“NTA”	net tangible assets
“Off-Market Purchase”	has the meaning ascribed to it in Section 4.1(b) of Letter from the Board in this Circular
“Previous Share Issue Mandate”	has the meaning ascribed to it in Section 3.1 of Letter from the Board in this Circular
“Previous Share Purchase Mandate”	has the meaning ascribed to it in Section 4.1 of Letter from the Board in this Circular

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“Related Expenses”	has the meaning ascribed to it in Section 1.3.4 of Appendix II to this Circular
“Relevant Period”	the period commencing from the date on which the forthcoming annual general meeting of the Company is held and the resolution relating to the 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 Share Purchase Mandate is passed
“Remuneration Committee”	remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“S\$”	Singapore dollars, the lawful currency of Singapore
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFA”	the Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended, modified or supplemented from time to time
“Share(s)”	ordinary shares in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Share Issue Mandate”	has the meaning ascribed to it in Section 3.2 of Letter from the Board in this Circular
“Share Purchase Mandate”	has the meaning ascribed to it in Section 4.2 of Letter from the Board in this Circular
“Singapore Takeovers Code”	the Singapore Code on Take-overs and Mergers
“substantial shareholder(s)”	has the meaning as ascribed to this term under the Hong Kong Listing Rules
“%”	percentage and per cent.

DEFINITIONS

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 Takeovers Code, the SFA, the Hong Kong Listing Rules, the Hong Kong Takeovers Code, 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 Takeovers Code, the SFA, the Hong Kong Listing Rules, the Hong Kong Takeovers Code, 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 or date in this Circular is a reference to Singapore time or date.

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

LETTER FROM THE BOARD



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)

(Stock Code: 1085)

Directors:

Mr. Cui Wei *(Chairman and Non-Executive Director)*

Mr. Du Xiping *(Executive Director)*

Mr. Xu Guoqiang *(Executive Director)*

Ms. Zhang Zhong *(Non-Executive Director)*

Mr. Tam Chi Kwan Michael

(Independent Non-Executive Director)

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

Mr. Pu Hong *(Independent Non-Executive Director)*

Registered Office:

138 Robinson Road
#26-03 Oxley Tower
Singapore 068906

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

Up to 31 March 2019:
7 Temasek Boulevard
#04-02B Suntec Tower One
Singapore 038987

With effect from 1 April 2019:
5 Tampines Central 1
#06-05 Tampines Plaza
Singapore 529541

22 March 2019

To: The Shareholders of Hengxin Technology Ltd.

Dear Sir/Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
THE PROPOSED SHARE ISSUE MANDATE,
THE PROPOSED 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 re-election of the retiring Directors and the approval of the Share Issue Mandate and the Share Purchase Mandate.

* *For identification purpose only*

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

- 2.1 Pursuant to Article 89 of the Constitution, Mr. Xu Guoqiang, Mr. Tam Chi Kwan Michael and Mr. Pu Hong shall retire at the forthcoming AGM and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Company considers that the re-election of Mr. Tam Chi Kwan Michael and Mr. Pu Hong as the Independent Non-Executive Directors of the Company will ensure continuity in management and save the time and costs in searching for new director candidates.

Since both Mr. Tam Chi Kwan Michael and Mr. Pu Hong have fulfilled the requirements of Rule 3.13 of the Hong Kong Listing Rules and have provided their independence confirmation to the Company up to the Latest Practicable Date, the Company considers Mr. Tam Chi Kwan Michael and Mr. Pu Hong to be independent.

As Mr. Tam Chi Kwan Michael and Mr. Pu Hong do not hold more than six listed company directorships, the Company believes they would be able to devote sufficient time to the Board.

As Mr. Tam Chi Kwan Michael possesses the accounting and financial professional qualifications and experience and Mr. Pu Hong is the senior partner of a law firm in the People's Republic of China with extensive experience in the financial and legal industries, the Company is of the view that Mr. Tam Chi Kwan Michael and Mr. Pu Hong possess the perspectives, skills and experience that can bring to the Board and ensure diversity in the composition of the Board by taking into consideration of the Company's business model and specific needs on ensuring proper and timely financial reporting and abiding by the relevant laws and regulations in areas of which the Company operates.

- 2.2 Details of the retiring Directors proposed to be re-elected at the AGM are set forth in Appendix I to this Circular.

3. THE PROPOSED SHARE ISSUE MANDATE

- 3.1 At the annual general meeting of the Company held on 27 April 2018 (the "**2018 AGM**"), notice of which was given on 23 March 2018, the Directors were granted a share issue mandate (the "**Previous Share Issue Mandate**").

- 3.2 As the Previous Share Issue Mandate granted at the 2018 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 the adoption of a new share issue mandate (the "**Share Issue Mandate**") at the forthcoming AGM.

LETTER FROM THE BOARD

- 3.3 The Hong Kong Listing Rules provide that the Share Issue Mandate shall be subject to a restriction that the aggregate number of Shares allotted or agreed to be allotted under the Share Issue Mandate must not exceed twenty per cent (20%) of the existing issued share capital of the Company.
- 3.4 The 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 by ordinary resolution.

4. THE PROPOSED SHARE PURCHASE MANDATE

- 4.1 At the 2018 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 2018 AGM), at the price of up to but not exceeding:
- (a) in the case of a 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 2018 AGM will expire at the conclusion of the forthcoming AGM, the Directors propose the adoption of a new share purchase mandate (the “**Share Purchase Mandate**”) at the forthcoming AGM.
- 4.3 The 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 by ordinary resolution.

LETTER FROM THE BOARD

- 4.4 As at the Latest Practicable Date, the number of Shares in issue was 388,000,000 Shares. Accordingly, assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the AGM, the exercise of the 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 Share Purchase Mandate will provide flexibility to the Directors to purchase or acquire Shares as and when it is in the interest of the Company to do so.
- 4.5 An explanatory statement setting out the details of the Share Purchase Mandate is attached as Appendix II to this Circular.

IMPORTANT: Notwithstanding the adoption of the Share Issue Mandate and the 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 Share Issue Mandate and the Share Purchase Mandate are in the interests of the Company and 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 Share Issue Mandate and the Share Purchase Mandate as set out in the notice of AGM of the Company which will be proposed at the AGM.

6. ANNUAL GENERAL MEETING

The AGM, the notice of which is circulated with this Circular, will be held at Room A, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 26 April 2019 at 10:00 a.m. (or at 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 Share Issue Mandate and the Share Purchase Mandate.

Pursuant to Article 59 of the Constitution 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.

LETTER FROM THE BOARD

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 to arrive at the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in Singapore), 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 Shareholders registered in Hong Kong) as soon as possible and in any event not later than forty-eight (48) hours before the time fixed for the AGM (or at 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 at 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 Share Issue Mandate and the 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 to this Circular.

Yours faithfully,
For and on behalf of the Board
Hengxin Technology Ltd.
Cui Wei
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 46, has been appointed as our executive Director and the General Manager of Hengxin (Jiangsu) since 20 December 2011, and is responsible for managing the business development and day-to-day operations of the Group. Prior to his appointment, Mr. Xu was the Senior Deputy General Manager of Hengxin (Jiangsu) and was responsible for planning, implementing and overseeing the production of the Group’s products and technical related matters.

Mr. Xu holds 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 Stock Co., Ltd. (a company listed on the Shanghai Stock Exchange, Stock Code: 600487, currently known as Hengtong Optic-Electric Co., Ltd.) and held various positions including Quality Control Supervisor, Quality Control Assistant Manager and Production Manager. Prior to joining Hengxin (Jiangsu) in August 2010, Mr. Xu worked in Chengdu Hengtong Optic Communications Co. Ltd. as General Manager since 2006.

Mr. Xu has received several awards for his production and technical achievements, including the International Professional Manager Award, a nomination as National Enterprise Mid-level Management Talent in 2004 and China Economy Top 10 Innovation Award in 2012. Mr. Xu has began his EMBA program at Nanjing University from 2016.

As at the Latest Practicable Date, Mr. Xu did not have, and was not deemed to have, any interests or short positions in the Shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Xu has entered into a renewal and restatement agreement on 16 February 2015 to supplement the service agreement entered with the Company on 20 December 2011 (the “**First Agreement**”), supplementing that with effect from 20 December 2014, the First Agreement shall remain in full force for a further term of three years commencing on 20 December 2014, subject to automatic renewal for successive terms of three years upon expiry, and may be terminated by either party giving not less than three months’ prior notice in writing to the other, or in accordance with other terms thereof. During the employment as an executive Director, Mr. Xu will not be drawing salary from the Company but the salary of Mr. Xu shall be reviewed annually by the remuneration committee of the Company and adjusted as the Board deems fit in accordance with the performance of Mr. Xu.

Save as disclosed above, as at the Latest Practicable Date, Mr. Xu (i) did not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholder of the Company; (ii) did not hold other positions with the Company and other members of the Group; (iii) did not hold any directorship in the last three years preceding the

Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other matters that need to be brought to the attention of the Shareholders nor did he have any other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

MR. TAM CHI KWAN MICHAEL (“MR. TAM”), INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tam Chi Kwan Michael (譚志昆), aged 55, has been appointed as our independent non-executive Director since 10 December 2010. Mr. Tam is currently the managing director of TLC CPA Limited, a firm of certified public accountants in Hong Kong and has more than 30 years of experience in tax consulting and auditing. He holds an Honours Diploma in Accountancy from Lingnan University (formerly Lingnan College) in Hong Kong and a Bachelor of Laws (Hons) degree from the University of Wolverhampton in the United Kingdom.

Mr. Tam is a Certified Public Accountant (practising) and a Registered Certified Tax Advisor in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Accountants (England and Wales) and the Taxation Institute of Hong Kong.

As at the Latest Practicable Date, Mr. Tam did not have, and was not deemed to have, any interests or short positions in the Shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Tam has entered into a letter of appointment with the Company with effect from 10 December 2010 for a term of three years commencing on 10 December 2010, subject to automatic renewal for successive terms of three years upon expiry, and may be terminated by either party giving not less than three months’ prior notice in writing to the other, or in accordance with other terms thereof. Mr. Tam is entitled to receive an annual director fee of HK\$400,000 which has been reviewed by the Remuneration Committee and determined by the Board with reference to the prevailing market rate and his duties and responsibilities in the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Tam (i) did not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholder of the Company; (ii) did not hold other positions with the Company and other members of the Group; (iii) did not hold any directorship in the last three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other matters that need to be brought to the attention of the Shareholders nor did he have any other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

MR. PU HONG (“MR. PU”), INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Pu Hong (浦洪), aged 54, has been appointed as our independent non-executive Director since 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 Cass Business School of City University London, and an On-The-Job Doctorate from 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 did not have, and was not deemed to have, any interests or short positions in the Shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Pu has entered into a letter of appointment with the Company with effect from 6 March 2015 for a term of three years commencing on 6 March 2015, subject to automatic renewal for successive terms of three years upon expiry, and may be terminated by either party giving not less than three months’ prior notice in writing to the other, or in accordance with other terms thereof. Mr. Pu is entitled to receive an annual director fee of HK\$300,000 which has been reviewed by the Remuneration Committee and determined by the Board with reference to the prevailing market rate and his duties and responsibilities in the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Pu (i) did not have any relationship with any Directors, senior management, Substantial Shareholders or Controlling Shareholder of the Company; (ii) did not hold other positions with the Company and other members of the Group; (iii) did not hold any directorship in the last three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other matters that need to be brought to the attention of the Shareholders nor did he have any other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

THE PROPOSED SHARE PURCHASE MANDATE

1. The Share Purchase Mandate

1.1 Background

At the 2018 AGM, the Shareholders had approved the adoption 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 a 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.

As the Previous Share Purchase Mandate granted at the 2018 AGM will expire at the conclusion of the forthcoming AGM, the Directors propose for the adoption of the 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 Constitution. 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 Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares if and when circumstances permit during the period for which the Share Purchase Mandate is in force. Purchases or acquisitions of Shares 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 EPS and/or 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.

Purchases or acquisitions of Shares also allow the Directors to exercise control over the Company's share capital structure with a view to enhancing 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 purchases or acquisitions of Shares via Market Purchases or Off-Market Purchases, 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 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 in (a) 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 Share Purchase Mandate is to be exercised in full at any time during the proposed share purchase period, or (b) the Company being delisted from the SEHK or any other securities exchange or being insolvent. It should be noted that the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may or may not be carried out to the full limit as mandated.

Neither the Company nor any of its subsidiaries had 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 Share Purchase Mandate

The authority and limits placed on the 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 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 authorising the Share Purchase Mandate is passed or as at the date of the resolution authorising the 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 15 March 2019, 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 Share Purchase Mandate.

1.3.2 Duration of the 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 purchases or acquisitions of the Shares are carried out to the full extent mandated under the Share Purchase Mandate; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting by ordinary resolution,

whichever is the earliest.

The 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 and/or on any other securities exchange on which the Shares are listed and/or quoted, through one (1) 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 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 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 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 SEHK or such other stock exchange on which the Shares are listed 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 or such other stock exchange on which the Shares are listed or quoted, immediately preceding the Date of the Making of the Offer (as defined below) 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 the Shareholders, 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 Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution, 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:

- (a) 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

- (b) 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, variation 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 Constitution, 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, external borrowings, or a combination of both to fund the purchases or acquisitions of Shares pursuant to the 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 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 Constitution 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 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 issue 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 ACRA.
- 1.6.2 The Company shall also notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the 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 or acquisition 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 Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision or there is inside information until the price sensitive or inside 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) for the approval of the Company's 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 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 Constitution, 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 the 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 purchased or acquired

For illustration purposes only, as at the Latest Practicable Date, the number of Shares in issue was 388,000,000 Shares. Accordingly, assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the AGM, the exercise of the 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 purchased or acquired

In the case of the Market Purchases by the Company, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 38,800,000 Shares at the Maximum Price of HK\$2.60663 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 SEHK immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 38,800,000 Shares is approximately HK\$101,137,050, excluding Related Expenses.

In the case of the Off-Market Purchases by the Company, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 38,800,000 Shares at the Maximum Price of HK\$2.97900 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 SEHK immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 38,800,000 Shares is approximately HK\$115,585,200, 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 Core Connected Person of the Company as a member of “the public” or Shares held by a Core 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 were 251,580,813 Shares in the hands of the public, representing approximately sixty-four point eighty-four per cent (64.84%) 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 Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 212,780,813 Shares, representing approximately sixty point ninety-three per cent (60.93%) of the remaining issued Shares of the Company (on the assumptions that the purchased Shares are cancelled and there is no change in the issued share capital of the Company other than the exercise of the Share Purchase Mandate).

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

- (a) adversely affect the listing status of the Shares on 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 purchases or acquisitions of Shares prior to the announcement of any price-sensitive information or inside information by the Company, until such time as the price-sensitive information or inside information has been publicly announced or disseminated in accordance with the requirements of the Hong Kong Listing Rules.

1.10.2 The Company will not effect or undertake any purchases or acquisitions of Shares on the SEHK 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) for the approval of the Company's results announcement for the 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.

1.11(A) Compliance with the Singapore Takeovers Code

Pursuant to the letter dated 7 December 2018 from the Securities Industry Council (the “**Securities Industry Council**”) of Singapore, the Securities Industry Council waived the Company from application and compliance of the Singapore Takeovers Code. Therefore, during the period when the abovementioned waiver remains valid, the Share Purchase Mandate will not trigger the provisions of the Singapore Takeovers Code.

1.11(B) Implications under the Hong Kong Takeovers Code

If, on the exercise of the power to purchase or acquire the Shares pursuant to the 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) had an interest in 96,868,662 Shares, representing approximately twenty-four point ninety-seven per cent (24.97%) of the issued share capital of the Company, and Mr. Cui Wei was deemed to be a substantial shareholder (within the meaning of the SFO) of the Company by reason of the 96,868,662 Shares held by Kingever Enterprises Limited pursuant to Part XV of the SFO. In the event that the Directors exercise in full the power to purchase or acquire Shares under the 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-seven point seventy-four per cent (27.74%) 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 of Shares made under the 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 mandatory 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 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 this explanatory statement. The highest and lowest prices at which the Shares were traded on the SEHK in each of the following months are:

Month	Share price	
	Highest HK\$	Lowest HK\$
2018		
March	2.31	2.17
April	2.26	2.08
May	2.25	2.15
June	2.24	2.04
July	2.12	1.85
August	1.93	1.76
September	1.99	1.72
October	1.80	1.67
November	2.06	1.68
December	2.04	1.83
2019		
January	2.00	1.83
February	2.33	1.86
March (up to the Latest Practicable Date)	2.53	2.33

1.13 Directors' and substantial shareholders' interests

As at the Latest Practicable Date, the shareholdings of the Directors and the substantial shareholders (within the meaning of the SFO) of the Company before and after the purchase or acquisition of Shares (assuming that the purchased Shares are cancelled and there is no change in the issued share capital of the Company other than the exercise of the Share Purchase Mandate) pursuant to the Share Purchase Mandate, based on the register of director's shareholdings and the register of substantial shareholders of the Company, were as follows:

	Before Share Purchase			After Share Purchase		
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (%)	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (%)
<i>Directors</i>						
Cui Wei ⁽¹⁾	–	96,868,662	24.97	–	96,868,662	27.74
Du Xiping	11,468,000	–	2.96	11,468,000	–	3.28
Xu Guoqiang	–	–	–	–	–	–
Zhang Zhong ⁽²⁾	–	28,082,525	7.24	–	28,082,525	8.04
<i>Tam Chi Kwan</i>						
Michael	–	–	–	–	–	–
Dr. Li Jun	–	–	–	–	–	–
Pu Hong	–	–	–	–	–	–
<i>Substantial Shareholders</i>						
<i>Kingever Enterprises Limited⁽¹⁾</i>						
	96,868,662	–	24.97	96,868,662	–	27.74
<i>Wellahead Holdings Limited⁽²⁾</i>						
	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. By virtue of Section 7 of the Companies Act and Part XV of the SFO, 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. By virtue of Section 7 of the Companies Act and Part XV of the SFO, Ms. Zhang Zhong is deemed to be interested in the Shares held by Wellahead Holdings Limited.

Shareholders should note that the figures stated 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 Share Purchase Mandate will be cancelled, (ii) there is no change in the issued share capital of the

Company other than the exercise of the Share Purchase Mandate, and (iii) there is no change in the number of Shares held or deemed to be held by the Directors and the substantial shareholders (within the meaning of the SFO) of the Company.

As at the Latest Practicable Date, Kingever Enterprises Limited had an interest in 96,868,662 Shares, representing approximately twenty-four point ninety-seven per cent (24.97%) of the issued share capital of the Company. Mr. Cui Wei was deemed to be a substantial shareholder (within the meaning of the SFO) of the Company by reason of the 96,868,662 Shares held by Kingever Enterprises Limited. Wellahead Holdings Limited had an interest in 28,082,525 Shares, representing approximately seven point twenty-four per cent (7.24%) of the issued share capital of the Company. Ms. Zhang Zhong was deemed to be a substantial shareholder (within the meaning of the SFO) of the Company by reason of the 28,082,525 Shares held by Wellahead Holdings Limited. Mr. Du Xiping had an interest in 11,468,000 Shares, representing approximately two point ninety-six per cent (2.96%) of the issued share capital of the Company. 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 as at the Latest Practicable Date, from the Shareholders other than Kingever Enterprises Limited, Wellahead Holdings Limited and Mr. Du Xiping, the resultant shareholding interest of Kingever Enterprises Limited, Wellahead Holdings Limited and Mr. Du Xiping in the Company would increase from approximately twenty-four point ninety-seven per cent (24.97%), seven point twenty-four per cent (7.24%) and two point ninety-six per cent (2.96%) respectively to approximately twenty-seven point seventy-four per cent (27.74%), eight point zero-four per cent (8.04%) and three point twenty-eight per cent (3.28%) respectively. Based on the foregoing and representations made by Kingever Enterprises Limited, Wellahead Holdings Limited and Mr. Du Xiping to the Company, the Share Purchase Mandate, even if fully utilized, would not trigger the provisions of the Hong Kong Takeovers Code requiring Kingever Enterprises Limited or Wellahead Holdings Limited or Mr. Du Xiping, and/or persons acting in concert with them to incur an obligation to make a mandatory offer under Rule 26 of the Hong Kong Takeovers Code.

Based on the above information as at the Latest Practicable Date, the Directors are not aware of any Director or substantial shareholder (within the meaning of the SFO) of the Company and parties acting in concert with them who may become obligated to make a mandatory offer under Rule 26 of the Hong Kong Takeovers Code in the event that the Company purchases the maximum number of 38,800,000 Shares under the Share Purchase Mandate.

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 close associates, have any present intention, in the event that the Share Purchase Mandate is approved by the Shareholders at the AGM, to sell their Shares to the Company under the 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 that he or she has undertaken not to sell any Shares held by him or her to the Company, in the event that the 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 Share Purchase Mandate in accordance with the Hong Kong Listing Rules, the Constitution, 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)

(Stock Code: 1085)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Hengxin Technology Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Room A, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 26 April 2019 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the report of the directors of the Company (the “**Directors**”) and the audited financial statements of the Company and the Group for the year ended 31 December 2018 together with the auditors’ report thereon. **(Resolution 1)**

2. To declare the final dividend of RMB0.0457 per share for the year ended 31 December 2018 (2017: RMB0.0294 per share). **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to the Constitution of the Company:

Mr. Xu Guoqiang (Article 89) **(Resolution 3)**

Mr. Tam Chi Kwan Michael (Article 89) **(Resolution 4)**

Mr. Pu Hong (Article 89) **(Resolution 5)**

See Explanatory Note (i)

4. To approve the payment of Directors’ fees of HK\$1,858,000 for the financial year ending 31 December 2019 (2018: HK\$1,858,000). **(Resolution 6)**

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

5. To re-appoint Messrs KPMG LLP as the auditors of the Company **(Resolution 7)** and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

6. **Adoption of Share Issue Mandate** **(Resolution 8)**

Authority to issue shares (the “**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 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 that 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 is in force,

NOTICE OF ANNUAL GENERAL MEETING

(the “**Share Issue Mandate**”), 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 defined in Explanatory Note (ii) below); 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 Constitution 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting by ordinary resolution, 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)

7. Adoption of Share Purchase Mandate

(Resolution 9)

That for the purposes of Sections 76C and 76E of the Companies Act, 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 AGM) at the price of up to but not exceeding the Maximum Price as defined in paragraph 1.3.4 under Appendix II to the Company's circular dated 22 March 2019 (the "**Circular**"), in accordance with the paragraph headed "1.3 Authority and limits of the Share Purchase Mandate" as set out in Appendix II to the Circular, and this mandate shall, unless revoked or varied by the Company in a general meeting by ordinary resolution, 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)

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue Shares under the Hengxin Share Option Scheme (Resolution 10)

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 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 ten per cent (10%) of the total number of issued Shares (excluding treasury shares) on the adoption date of the Scheme on 27 October 2010 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)

By Order of the Board
Hengxin Technology Ltd.
**Wong Jing Ting, Renee/
Lai Yang Chau, Eugene**
Joint Company Secretaries

Hong Kong, 22 March 2019

Explanatory Notes:

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

Mr. Tam Chi Kwan Michael will, upon re-election, remain as an independent non-executive Director and the chairman of the audit committee, and a member of each of the remuneration committee and nominating committee of the Company and he will be considered independent.

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

- (ii) The Ordinary Resolution 8 above, if passed, will empower the Directors from the date of the AGM 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 by ordinary resolution, 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.

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For determining the aggregate number of Shares that may be issued, the percentage of issued Shares 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).

- (iii) The Ordinary Resolution 9 above, if passed, will empower the Directors from the date of the AGM 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) at the Maximum Price as defined under paragraph 1.3.4 under Appendix II to the Circular, unless this mandate is varied or revoked by the Company in a general meeting by ordinary resolution. 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 details in the Circular.
- (iv) The Ordinary Resolution 10 above, if passed, will empower the Directors from the date of the AGM 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) ten per cent. (10%) of the issued Shares in the capital of the Company on the adoption date of the Scheme on 27 October 2010.

IMPORTANT: Notwithstanding the passing of the Ordinary Resolution Nos. 8, 9 and 10, 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 the Share Issue Mandate, the Share Purchase Mandate and/or the Scheme.

Notes:

1. A member of the Company (the “**Member**”) entitled to attend and vote at the AGM is entitled to appoint no more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member. Where a Member appoints more than one (1) proxy, the Member shall specify the proportion of his/her 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, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in Singapore), 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 Shareholders registered in Hong Kong), as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the AGM (or at any adjournment thereof).

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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.
4. Completion and return of the proxy form will not preclude a Member from attending and voting in person at the AGM (or at any adjournment thereof) should he/she so wish, and in such event, the proxy form shall be deemed to be revoked.
5. The Principal Share Registrar and Branch Share Registrar of the Company will be closed from Monday, 15 April 2019 to Friday, 26 April 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending the AGM, 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, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in Singapore), 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 Shareholders registered in Hong Kong) not later than 4:30 p.m. on Friday, 12 April 2019. Any removal of Shares from the Company's Principal Share Registrar in Singapore to the Branch Share Registrar in Hong Kong for the purpose of attending the AGM shall be made not later than 4:30 p.m. on Thursday, 4 April 2019.
6. Subject to the approval by the shareholders of the Company at the AGM, in order to determine the entitlement to the proposed final dividend for the year ended 31 December 2018, the Company's Principal Share Registrar and Branch Share Registrar will be closed on Tuesday, 14 May 2019, on which date no transfer of Shares will be registered. In order to qualify for the proposed final dividend for the year ended 31 December 2018, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Principal Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in Singapore) not later than 4:30 p.m. on Monday, 13 May 2019, 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 Shareholders registered in Hong Kong) not later than 4:30 p.m. on Friday, 10 May 2019. Any removal of Shares from the Company's Principal Share Registrar in Singapore to the Branch Share Registrar in Hong Kong shall be made not later than 4:30 p.m. on Thursday, 2 May 2019.