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JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED
錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Annual General Meeting”) of the shareholders of Jinheng Automotive Safety Technology Holdings Limited (the “Company”) will be held at 4th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong on Tuesday, 2nd May 2006 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries together with the reports of the directors of the Company (“Directors”) and the auditors of the Company (“Auditors”) thereon for the year ended 31st December 2005;
2. To declare a final dividend of HK\$0.033 per share, for the year ended 31st December 2005;
3. To re-elect the retiring Directors and to authorise the Board of Directors to fix their remuneration;
4. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration; and

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

5. **“THAT:**
 - (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than by way of (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of or the grant of any option under any share option scheme of the Company or similar arrangement for the time being adopted for the issue or grant to officers and/or employees of the Company and/or any of its subsidiaries of shares or options to subscribe for or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval be limited accordingly; and

- (d) for the purpose of this Resolution:
 - (aa) “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.

 - (bb) “Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital 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 on a fixed record date in proportion to their then holdings of such shares in the Company (subject 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

6. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period as defined in Resolution 5(d)(aa) of all powers of the Company to repurchase issued shares in the share capital of the Company on the Growth Enterprise Market of the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of issued shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” shall have the same meaning as in Resolution 5(d)(aa).”

7. **“THAT:**

conditional upon Resolutions No. 5 and 6 above being passed, the general mandate granted to the Directors of the Company to allot, issue or otherwise deal with additional shares pursuant to Resolution No. 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to Resolution No. 6.”

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

8. “**THAT** the articles of association of the Company (the “**Articles**”) be and are hereby amended in the following manner:

(A) Article 66

By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the third sentence of the Article 66; and by deleting the full stop at the end of Article 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by inserting the following new Article 66(e) after Article 66(d):

“66(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

(B) Article 68

By deleting the second sentence of Article 68 in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(C) Article 86(3)

By deleting Article 86(3) in its entirety and substituting therefor the following new Article 86(3):

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

(D) Article 86(5)

By deleting the existing Article 86(5) in its entirety and substituting therefore the following new Article 86(5):

“86(5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

(E) Article 87(1)

By deleting the existing Article 87(1) in its entirety and substituting therefore the following new Article 87(1):

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specified term or holding office as chairman of the Board and/or the managing director of the Company) shall be subject to retirement by rotation at least once every three years.”

By Order of the Board
Li Feng
Chairman

Hong Kong, 28th March 2006

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. The register of members will be closed from 26th April 2006 to 28th April 2006, both days inclusive, during which period no transfer of shares can be registered. In order to qualify the proposed final dividend to be approved at the Annual General Meeting and attending the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:00 p.m. on 25th April 2006.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the Annual General Meeting (or any adjournment thereof).

4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Shares, any one of such joint holders may vote either in person or by proxy in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Annual General Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
6. In relation to proposed resolution no. 3 above, Messrs. Xing Zhanwu, Foo Tin Chung, Victor and Huang Shilin will retire from their offices of Director at the above meeting pursuant to articles 86(3) and 87(1) of the articles of association of the Company and, being eligible, offer themselves for re-election.
7. The articles of association of the Company are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of proposed resolution no. 8 above on amendments of the articles of association is purely a translation only. Should there be any discrepancy, the English version shall prevail.
8. An explanatory statement containing further details regarding the proposed Resolutions nos. 5 to 7 set out in the above notice will be dispatched to shareholders together with the 2005 Annual Report of the Company.

As at the date of this notice, the Board comprises 5 executive Directors, namely Messrs. Li Feng, Xing Zhanwu, Zhao Qingjie, Yang Donglin and Foo Tin Chung, Victor; 2 non-executive Directors, namely Messrs. Li Hong and Zeng Qingdong; and 3 independent non-executive Directors, namely Messrs. Chan Wai Dune, Huang Shilin and Zhu Tong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting and on the website of the Company at www.jinhengairbag.com.