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

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



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)

**GENERAL MANDATES TO REPURCHASE SHARES
AND
ISSUE NEW SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at 33rd Floor, 9 Queen’s Road Central, Central, Hong Kong on Friday, 23rd May 2008 at 10:00 a.m. is set out on pages 15 to 18 of this circular.

A form of proxy for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Room 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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

10th March 2008

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM/Annual General Meeting”	the annual general meeting of the Company to be convened on Friday, 23rd May 2008
“Applaud Group”	Applaud Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Jinheng Automotive Safety Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinzhou Jinheng Automotive”	Jinzhou Jinheng Automotive Safety System Co., Ltd., a company established in the PRC with limited liability
“Latest Practicable Date”	5th March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, the Macau special administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 22nd November 2004

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of the passing of such resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Share Buy Back Rules”	the provisions in the GEM Listing Rules to regulate the repurchase by companies with primary listing on GEM of their own shares
“Share Option Scheme”	the share option scheme adopted by the Company on 22nd November 2004
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiyuan Aero”	Taiyuan Aero-Instruments Co., Ltd., a company established in the PRC with limited liabilities
“Taiyuan Daheng”	Taiyuan Daheng General Electric Appliance Manufacturing Company Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Board of Directors

Executive Directors

Mr. Li Feng (*Chairman*)

Mr. Xing Zhanwu

Mr. Zhao Qingjie

Mr. Yang Donglin

Mr. Foo Tin Chung, Victor

*Head office and principal place of
business in the PRC*

Unit 2, Building 38

No. 2 Jing Yuan North Street

Beijing Economic Technological

Development Area

Beijing, PRC

Non-executive Directors

Mr. Li Hong

Mr. Zeng Qingdong

Principal place of business in Hong Kong

Unit 605

6th Floor

Beautiful Group Tower

77 Connaught Road Central

Hong Kong

Independent non-executive Directors

Mr. Chan Wai Dune

Mr. Huang Shilin

Mr. Zhu Tong

Registered office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands, British West Indies

10th March 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND
ISSUE NEW SHARES;
RE-ELECTION OF RETIRING DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to seek your approval of resolutions to enable the Directors to exercise the powers of the Company to repurchase the Company's fully paid up Shares representing up to a maximum of 10% of the existing issued share capital of the Company at the date of passing the resolution, to grant a general mandate to the Directors to issue new shares up to a maximum of 20% of

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the issued share capital of the Company at the date of passing the resolution and to increase the number of shares which the Directors may issue under their general mandate by the number of shares repurchased. Resolutions will also be proposed to re-elect the Directors in accordance with the Articles of Association. The resolutions will be proposed at the Annual General Meeting to be held on 23th May 2008.

This circular, 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 enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. GENERAL MANDATE FOR REPURCHASE OF SHARES

In accordance with the Share Buy Back Rules, this circular contains an explanatory statement in Appendix I to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against resolution set out as resolution no. 6 in the notice convening the Annual General Meeting which will be proposed at the Annual General Meeting.

3. GENERAL MANDATE TO ISSUE SHARES

The resolution set out as resolution no. 5 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting for the granting of the General Mandate to the Directors to allot, issue and deal with new Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution; in addition, subject to a separate approval of Shareholders of the resolution set out as resolution no. 7 in the notice of the Annual General Meeting, the number of Shares repurchased by the Company under the Repurchase Mandate will also be added to the 20% General Mandate as mentioned above.

4. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the amendment of terms of appointment of non-executive Directors (including independent non-executive Directors) resolved by the Directors in the meeting of the Board held on 13 August 2007, the term of appointment of each of the non-executive Directors (including independent non-executive Directors) has been fixed to one year subject to rotation and re-election by the Shareholders at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, their appointments will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association.

Accordingly, Mr. Li Hong, Mr. Zeng Qingdong, Mr. Chan Wai Dune, Mr. Huang Shilin and Mr. Zhu Tong shall retire from their offices by rotation at the Annual General Meeting. Being eligible, each of Mr. Li Hong and Mr. Zeng Qingdong will offer himself for re-election as non-executive Director, and each of Mr. Chan Wai Dune, Mr. Huang Shilin and Mr. Zhu Tong will offer himself for re-election as independent non-executive Director.

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In addition, pursuant to Article 87(1) of the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company and shall then be eligible to offer themselves for re-election.

In accordance with Article 87(1) of the Articles of Association, the following Directors, namely, Messrs. Xing Zhanwu and Zhao Qingjie will retire at the Annual General Meeting and, being eligible, would offer themselves for re-election.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

5. PROXY ARRANGEMENT

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1806-1807, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

6. PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

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- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the GEM Listing Rules, by any Directors 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.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

7. RECOMMENDATION

The Directors consider that the proposed granting of the General Mandate and the Repurchase Mandate, the extension of the General Mandate to the Shares repurchased pursuant to the Repurchase Mandate and the proposed re-election of retiring Directors are in the best interests of the Company and its Shareholders and accordingly recommend that all Shareholders to vote in favour of the resolutions set out as resolutions nos. 5 to 7 in the notice convening the Annual General Meeting to be proposed at the Annual General Meeting.

Yours faithfully,

On behalf of the Board of

Jinheng Automotive Safety Technology Holdings Limited

Li Feng

Chairman

The following is the explanatory statement which is required to be sent to the Shareholders under the Share Buy Back Rules in connection with the Repurchase Mandate.

(I) GEM LISTING RULES

The GEM Listing Rules permit companies with a primary listing on GEM to purchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase will be made out of funds of the company legally permitted to be utilized in this connection, including out of the profits of the company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorised by its articles of association subject to the Companies Law of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the shares to be purchased must be provided for out of the profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law of the Cayman Islands, out of capital.

(II) THE REPURCHASE MANDATE

The resolution set out as resolution no. 6 in the notice convening the Annual General Meeting which will be proposed at the Annual General Meeting relates to the granting of the Repurchase Mandate to the Directors to repurchase, on GEM or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the resolution.

The Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is rescinded at such meeting or until revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting prior to the next annual general meeting of the Company, whichever occurs first.

(III) REASONS FOR REPURCHASE

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

(IV) SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 443,100,000 Shares.

Subject to the passing of the Repurchase Mandate, the Company would be allowed to repurchase Shares up to a maximum of 44,310,000 Shares on the basis that no further Shares will be issued whether as a result of the exercise of any options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme adopted by the Company both on 22nd November 2004 as stated in its prospectus dated 30th November 2004 or otherwise repurchased prior to the date of the forthcoming Annual General Meeting.

(V) FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

It is presently proposed that any purchase of the Shares would be made out of profits of the Company or the proceeds of a fresh issue made for the purpose or out of capital provided that on the day immediately following the date of repurchase the Company is able to pay its debts as they fall due in the ordinary course of business.

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may enhance the Company's net asset value per Share and/or earnings per Share. The Directors consider the repurchase of Shares in full at any time during the proposed repurchase period may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the published audited accounts for the year ended 31st December 2007 but the Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital or gearing ratio of the Company.

(VI) SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
March	1.07	0.86
April	1.33	1.01
May	1.62	1.22
June	1.82	1.55
July	1.89	1.59
August	2.18	1.53
September	1.68	1.46
October	1.67	1.35
November	1.56	1.24
December	1.30	1.16
2008		
January	1.39	1.08
February	1.22	1.00
March (Up to Latest Practicable Date)	1.12	1.09

(VII) TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code issued by the Securities and Futures Commission of Hong Kong. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Applaud Group, the controlling Shareholder, held 228,620,000 Shares representing approximately 51.60% of the issued share capital of the Company. If the Repurchase Mandate is exercised in full, the percentage shareholding of Applaud Group will increase to approximately 57.33%. Such increase would not give rise to any obligation for it to make a general offer for the Shares under Rule 26 of the Takeovers Code.

Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which the exercise in full of the Repurchase Mandate would have under the Takeovers Code.

(VIII) SHARE REPURCHASES BY THE COMPANY

The Company had not purchased any of the Shares during the previous six months immediately prior to the Latest Practicable Date.

(IX) GENERAL INFORMATION AND UNDERTAKINGS

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to the Company or any of its subsidiaries.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Hong Kong and the Cayman Islands.
- (c) No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

Mr. Xing Zhanwu, aged 44, is the executive Director and the chief executive officer of the Company. Mr. Xing joined the Group in 1997 and is responsible for the Group's sales and marketing as well as the Group's overall business development. Mr. Xing graduated from Northwestern Polytechnical University with a bachelor's degree in machinery manufacture engineering in 1984. From July 1984 to August 1996, Mr. Xing had worked at Taiyuan Aero as engineer. In January 1997, Mr. Xing joined the Group as general manager and led the Group to succeed in two pioneering airbag system development projects with FAW Car Company Limited ("FAW") and Dongtong Peugeot Citro'n. There is a service agreement between the Company and Mr. Xing whereby Mr. Xing was appointed for a fixed term of 3 years commencing from 9th December 2004 but will be subject to retirement and re-election at the Company's annual general meeting in accordance with the Articles of Association. Mr. Xing was entitled to an annual remuneration of HK\$660,000 which is determined by the Board with reference to his duties and responsibilities with the Company. Mr Xing is the brother of Mr Xing Zhanwen, the general manager of Beijing Jinheng Sega Automotive Spare Parts Limited, a wholly-owned subsidiary of the Group. Save as disclosed above, Mr Xing does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders. He did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr. Xing holds 900 shares of Applaud Group, representing approximately 9.00% of the issued share capital of Applaud Group. Mr. Xing is therefore deemed to be interested in 4.64% of the issued capital of the Company. As at the Latest Practicable Date, Mr. Xing holds 8,420,000 Shares. As at the Latest Practicable Date, Mr Xing is entitled to 4,000,000 share options of the Company pursuant to the Share Option Scheme. Save as disclosed above, as at the Latest Practicable Date, Mr. Xing does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Zhao Qingjie, aged 50, is the executive Director. Mr. Zhao joined the Group in October 1997. Mr. Zhao has extensive experience and knowledge in the automobile industry in the PRC and is responsible for strategic development and corporate development of the Group. In 1982, Mr. Zhao graduated from the Jinzhou Institute of Technology with a bachelor's degree in tractor. Mr. Zhao is the chairman of Wonder Auto Group Limited and Jinzhou Halla Electrical Equipment Company Limited. Mr. Zhao is also the chief executive and a director of China Wonder Limited, a company listed in the Alternative Investment Market (AIM) of the London Stock Exchange in United Kingdom, and is the chief executive officer and chairman of Wonder Auto Technology Inc., a company listed in the OTC Bulletin Board in United States. There is a service agreement between the Company and Mr. Zhao whereby Mr. Zhao was appointed for a fixed term of 3 years commencing from 9 December 2004 but will be subject to retirement and re-election at the Company's annual general meeting in accordance with the Articles of Association. Mr. Zhao was entitled to an annual remuneration of HK\$500,004 which is determined by the Board with reference to his duties and responsibilities with the Company. Save as disclosed, Mr. Zhao does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders and he did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr. Zhao holds 4,280,000 Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Zhao does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Li Hong, aged 44, is the non-executive Director. Mr. Li joined the Group in 2001. Mr. Li graduated from the Beijing University of Aeronautics and Astronautics with a bachelor's degree in metal materials in 1983. In 1994, Mr. Li graduated from the Beijing University of Aeronautics and Astronautics with a master's degree in corrosion and protection. From 1983 to 1996, Mr. Li was employed at Taiyuan Aero. Mr. Li is also a director of Taiyuan Daheng. There is no service agreement between the Company and Mr. Li. The fixed emoluments payable to Mr. Li is HK\$100,008 per annum which is determined by the Board with reference to his duties and responsibilities with the Company. The appointment terms of Mr. Li have been revised on 13th August 2007 pursuant to which his appointment has been fixed for a term of one year and he will be eligible for re-election at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, Mr. Li's appointment will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association. Mr. Li does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders and he did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr. Li holds 643 shares of Applaud Group, representing approximately 6.43% of the issued share capital of Applaud Group. Mr. Li is therefore deemed to be interested in 3.32% of the issued capital of the Company. As at the Latest Practicable Date, Mr Li is entitled to 4,000,000 share options of the Company pursuant to the Share Option Scheme. Save as disclosed above, as at the Latest Practicable Date, Mr. Li does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Zeng Qingdong, aged 44, is the non-executive Director. Mr. Zeng is the brother-in-law of Mr. Gao Xiangdong who is a significant Shareholder (has the meaning ascribed to it in the GEM Listing Rules). He joined the Group in August 2002. Mr. Zeng graduated from the Liaoning Institute of Technology in 1985 with a bachelor's degree in science and in 1988 from the Jilin Institute of Technology with a master's degree in science. Mr. Zeng joined Jinzhou Wonder Enterprises (Group) Co, Ltd. ("Jinzhou Wonder") in April 1997 and is currently a deputy general manager of Jinzhou Wonder. There is no service agreement between the Company and Mr. Zeng. The emoluments payable to Mr. Zeng is HK\$100,008 per annum which is determined by the Board with reference to his duties and responsibilities with the Company. The appointment terms of Mr. Zeng have been revised on 13th August 2007 pursuant to which his appointment has been fixed for a term of one year and he will be eligible for re-election at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, Mr. Zeng's appointment will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association. Save as disclosed above, Mr. Zeng does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders and he did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr Zeng is entitled to 4,000,000 share options of the Company pursuant to the Share Option Scheme. Save as disclosed above, as at the Latest Practicable Date, Mr. Zeng does not have, and is not deemed to have, any other interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Huang Shilin, aged 74, is the independent non-executive Director. Mr. Huang graduated from Moscow State Academy of Automobile Engineering (莫斯科汽車機械學院) in 1957 and obtained an associate doctoral degree in 1959. Mr. Huang started working in the department of automobile engineering of Tsing Hua University, PRC in 1960. In 1987, he became a professor and doctoral tutor, deputy head of Automobile Research Center (汽車研究所) at Tsing Hua University, as well as the supervisor of Vehicle Collision Laboratory (汽車碰撞實驗室) of National Laboratory in Automotive Safety and Energy. He is currently the honorary supervisor of the Chapter of Automobile Safety Technology (汽車安全技術分會) of The Society of Automotive Engineers of China. Mr. Huang was appointed as an independent non-executive Director in November 2005. There is no service agreement between the Company and Mr. Huang. The emoluments payable to Mr. Huang is HK\$80,004 per annum which is determined by the Board with reference to his duties and responsibilities with the Company. The appointment terms of Mr. Huang have been revised on 13th August 2007 pursuant to which his appointment has been fixed for a term of one year and he will be eligible for re-election at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, Mr. Huang's appointment will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association. Mr. Huang does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders and he did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr. Huang does not have, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Zhu Tong, aged 35, is the independent non-executive Director. Mr. Zhu is currently the assistant general manager of Xing Ye Securities Co., Ltd. (興業證券股份有限公司) Mr. Zhu graduated from the Research Institute of the People's Bank of China in 1998 with a master's degree in international finance. Mr. Zhu was appointed as an independent non-executive Director in March 2004. There is no service agreement between the Company and Mr. Zhu. The fixed emoluments payable to Mr. Zhu is HK\$80,004 per annum which is determined by the Board with reference to his duties and responsibilities with the Company. The appointment terms of Mr. Zhu have been revised on 13th August 2007 pursuant to which his appointment has been fixed for a term of one year and he will be eligible for re-election at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, Mr. Zhu's appointment will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association. Mr. Zhu does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders and he did not hold any directorship in any listed companies in the past three years. As at the Latest Practicable Date, Mr. Zhu does not have, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Mr. Chan Wai Dune, aged 55, is the independent non-executive Director. Mr. Chan has over 27 years of experience in the finance sector, particularly in the areas of audit and tax. He is a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Chan is currently a member of the Chinese People's Political Consultative Conference of 10th Guangzhou Municipal Committee and a member of the Executive Council of China Overseas Friendship Association. Mr. Chan was a member of the Selection Committee for the establishment of the First Government of the Hong Kong Special Administrative Region. Mr. Chan is currently the Managing Director of CCIF CPA Limited. Mr. Chan also currently serves as an independent non-executive director of Chuang's China Investments Limited, Chuang's Consortium International Limited, Graneagle Holdings Limited, Hualing Holdings Limited, Hunan Nonferrous Metals Corporation Limited, Minmetals Resources Limited and Sam Woo Holdings Limited, all are listed on the Stock Exchange. In the past three years, he has had, at different times, held directorships at EVA Precision Industrial Holdings Limited, IIN International Limited, Zhongda International Holdings Limited, Mexan Limited and Sino Union Petroleum & Chemical International Limited but has resigned from them. There is no service agreement between the Company and Mr. Chan. The emoluments payable to Mr. Chan is HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibilities with the Company. The appointment terms of Mr. Chan have been revised on 13th August 2007 pursuant to which his appointment has been fixed for a term of one year and he will be eligible for re-election at the Annual General Meeting. Subject to the re-election at the Annual General Meeting, Mr. Chan's appointment will be fixed for a further term of three years and be subject to normal retirement and re-election by Shareholders pursuant to the Articles of Association. Mr. Chan does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders. As at the Latest Practicable Date, Mr Chan is entitled to 400,000 share options of the Company pursuant to the Share Option Scheme. Save as disclosed above, as at the Latest Practicable Date, Mr. Chan does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

At the Annual General Meeting, Messrs. Xing Zhanwu, Zhao Qingjie, Li Hong, Zeng Qingdong, Huang Shilin, Zhu Tong and Chan Wai Dune will retire and being eligible, offer themselves for re-election.

Save as disclosed above, all Directors and the Company are not aware of any other matters in relation to Mr. Xing Zhanwu, Mr. Zhao Qingjie, Mr. Li Hong, Mr. Zeng Qingdong, Mr. Huang Shilin, Mr. Zhu Tong and Mr. Chan Wai Dune, that are required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules or any other matter that need to be brought to the attention of the Shareholders pursuant to the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 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 33rd Floor, 9 Queen’s Road Central, Central, Hong Kong on Friday, 23rd May 2008 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 2007;
2. To declare a final dividend of HK\$0.036 per share, for the year ended 31st December 2007;
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;

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

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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.”

By Order of the Board
Li Feng
Chairman

Hong Kong, 10th March 2008

NOTICE OF ANNUAL GENERAL MEETING

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 Tuesday, 20th May 2008 to Thursday, 22nd May 2008, 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 branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on Monday, 19th May 2008.
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 Room 1806-1807, 18th 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, Zhao Qingjie, Li Hong, Zeng Qingdong Huang Shilin, Zhu Tong and Chan Wai Dune will retire from their offices of Director at the Annual General Meeting and, being eligible, offer themselves for re-election.
7. An explanatory statement containing further details regarding the proposed Resolution no. 6 set out in the above notice will be contained in a circular to be despatched to shareholders together with the 2007 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.