
IMPORTANT

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 AKM Industrial Company Limited (the “Company”), you should at once hand this circular 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 the transferee.



AKM Industrial Company Limited
安捷利實業有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 8298)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

This circular is despatched together with the 2012 Annual Report of the Company, which contains the directors’ report, the auditors’ report by Messrs. Deloitte Touche Tohmatsu and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2012.

A notice convening the annual general meeting of the Company to be held at Rooms 2708-11, 27/F, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong on Wednesday, 8 May 2013 at 10:00 a.m. is contained in this circular. Whether or not you are able to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s principal share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting (or adjourned meeting thereof as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting (or adjourned meeting thereof as the case may be) should you so wish.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and the Company’s website at <http://www.akmcompany.com>.

28 March 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange of Hong Kong Limited (“Stock Exchange”). 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Wednesday, 8 May 2013 at Rooms 2708-11, 27/F, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong or any adjournment thereof;
“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“Board”	the board of Directors;
“Company”	AKM Industrial Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance and the ordinary shares of which are listed on the GEM;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of Laws of Hong Kong) as amended from time to time;
“Directors”	the directors of the Company;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolutions approving the same;
“Latest Practicable Date”	25 March 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the notice of the AGM;

DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, the principal share registrar and transfer office of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of issued share capital of the Company as at the date of the resolution approving the same;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeover Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong as amended from time to time.

LETTER FROM THE CHAIRMAN



AKM Industrial Company Limited
安捷利實業有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 8298)

Executive Directors:

Xiong Zheng Feng (*Chairman*)

Chai Zhi Qiang

Li Ying Hong

Non-executive Director:

Meng Weiwei

Independent non-executive Directors:

Hung Chi Yuen Andrew

Liang Zhi Li

Bi Keyun

*Principal place of business
in the PRC:*

63 Huan Shi Road South

Information Technology Park

Nansha District

Guangzhou City

The People's Republic of China

Registered office:

Rooms 2708-11, 27/F

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

28 March 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to the Ordinary Resolutions to be proposed at the AGM so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the Ordinary Resolutions.

The Ordinary Resolutions include granting to the Directors general mandates to issue and repurchase Shares and re-electing the Directors.

LETTER FROM THE CHAIRMAN

II. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares subject to the criteria set out in this circular. Shareholders should note that assuming that no new Shares in the Company are issued after the Latest Practicable Date and prior to the date of the AGM, the maximum number of Shares that may be repurchased is 54,000,000 Shares, representing 10% of the aggregate nominal amount of the share capital of the Company in issue at the Latest Practicable Date. The Repurchase Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Set out in Appendix I to this circular is the explanatory statement which is required by the GEM Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution.

III. GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant the Issue Mandate to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing of such resolution. The Issue Mandate will remain in effect until whichever is the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held by law or the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

If the ordinary resolution to grant the Issue Mandate is passed at the AGM, and assuming that no new Shares in the Company are issued after the Latest Practicable Date and prior to the date of the AGM, up to 108,000,000 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date, may be issued in accordance with the Issue Mandate.

IV. EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Issue Mandate will be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate, provided that such extended amount will not exceed 10% of the aggregate of the total nominal value of the share capital of the Company in issue on the date of the resolution approving the Issue Mandate.

LETTER FROM THE CHAIRMAN

V. RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Mr. Xiong Zheng Feng, Mr. Chai Zhi Qiang and Madam Li Ying Hong, the non-executive Director is Mr. Meng Weiwei and the independent non-executive Directors are Mr. Hung Chi Yuen Andrew, Mr. Liang Zhi Li and Mr. Bi Keyun.

Pursuant to Article 101 of the Articles of Association, at each annual general meeting 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 exceeding one-third, shall retire from office, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election. Accordingly, Mr. Chai Zhi Qiang and Madam Li Ying Hong shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Chai Zhi Qiang and Madam Li Ying Hong will retire and being eligible, offer themselves for re-election at the AGM.

Pursuant to Article 92 of the Articles of Association, the Board shall have power from time to time, and at any time to appoint any person as a Director either to fill a vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Meng Weiwei, a non-executive Director appointed by the Board on 2 November 2012, and Mr. Bi Keyun, an independent non-executive Director appointed by the Board on 4 February 2013 will also retire and being eligible, offer themselves for re-election at the AGM.

Pursuant to code provision A.4.3 of the Corporate Governance Code set out the Appendix 15 to the GEM Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Mr. Liang Zhi Li, being an independent non-executive Director eligible for re-election at the AGM, is an independent non-executive Director serving the Company since March 2004. He has provided his annual confirmation of independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. Mr. Liang Zhi Li has not been involved in the daily management of the Company and he has no relationship with any of the Directors, senior management, substantial or controlling shareholders of the Company. The Board considers that Mr. Liang Zhi Li continues to be independent and should be re-elected as he has met all the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules. The Board is of the opinion that he will continue to bring independent and objective perspectives to the Company's affairs given his valuable knowledge, extensive experience and familiarity with the Company's affairs. A separate resolution will be proposed for Mr. Liang Zhi Li's re-election at the AGM.

Brief biographical details of Mr. Chai Zhi Qiang, Madam Li Ying Hong, Mr. Meng Weiwei, Mr. Bi Keyun and Mr. Liang Zhi Li are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

VI. PROCEDURES TO VOTE

Pursuant to Rule 17.47(4) of the GEM Listing Rules, voting of resolutions at the AGM will be taken by way of poll.

VII. RECOMMENDATION

The Board is of the opinion that the proposed Issue Mandate, Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and its Shareholders, and therefore recommend you to vote in favour of the Ordinary Resolutions to be proposed at the AGM.

Yours faithfully,
Xiong Zheng Feng
Chairman

This explanatory statement relates to the resolution proposed to be passed at the AGM authorising the grant of the Repurchase Mandate. It contains all the information required under Rule 13.08 of the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against such ordinary resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 540,000,000 Shares of HK\$0.10 each.

The resolution proposed to be passed at the AGM relates to the grant of a general mandate to the Directors to repurchase Shares on the GEM or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, up to a maximum of 10% of the issued share capital of the Company at the date of passing of such resolution.

If the ordinary resolution authorising the Directors to repurchase Shares is passed at the AGM, and assuming that no new Shares in the Company are issued prior to the date of passing the said resolution, up to 54,000,000 Shares, representing 10% of the existing issued share capital of the Company may be repurchased by the Company.

2. SOURCE OF FUNDS

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association and the applicable laws of Hong Kong. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

3. REASONS FOR REPURCHASES

The Directors 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 at any appropriate time. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

4. FINANCIAL EFFECT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the 2012 Annual Report of the Company) in the event that the Repurchase Mandate is exercised in full.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or on the gearing level of the Group.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, it will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Hong Kong.

6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined under the GEM Listing Rules), have any present intention to sell any of the Shares to the Company if the Repurchase Mandate is approved and granted.

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

7. EFFECT OF TAKEOVERS CODE

If, as the result of a repurchase of the 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. As a result, a Shareholder, or a group of Shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Alpha Luck Industrial Limited ("Alpha Luck") held a direct interest of approximately 66.67% in the Company; Silver City International (Holdings) Limited ("Silver City") held an indirect interest of approximately 66.67% in the Company through its wholly-owned subsidiary, Alpha Luck; China North Industries Corporation ("CNIC") held an indirect interest of approximately 66.67% in the Company through its wholly-owned subsidiary, Silver City. Each of Alpha Luck, Silver City and CNIC was a substantial shareholder (as defined in the GEM Listing Rules) of the Company.

In the event that the Directors shall exercise the Repurchase Mandate in full, the shareholding of each of Alpha Luck, Silver City and CNIC in the Company would increase to approximately 74.07%. Such resulting increase in the shareholdings of the above Shareholders would not give rise to an obligation on any such Shareholder to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

8. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the following months up to and including the Latest Practicable Date were as follows:

Year	Month	Lowest	Highest	
		Price <i>HK\$</i>	Price <i>HK\$</i>	
2012	March	0.200	0.200	
	April	0.200	0.200	
	May	0.200	0.200	
	June	0.200	0.200	
	July	0.200	0.200	
	August	0.200	0.200	
	September	0.200	0.210	
	October	0.210	0.270	
	November	0.240	0.340	
	December	0.325	0.390	
	2013	January	0.340	0.430
		February	0.375	0.400
March*		0.375	0.440	

* Up to and including the Latest Practicable Date

9. SHARE REPURCHASES MADE BY THE COMPANY

The Company has made no repurchases of its own Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

Mr. Chai Zhi Qiang (柴志強), aged 52, is an executive Director and the general manager of the Company. In January 1982, he graduated from the 激光技術專業 (Faculty of Laser Technology) of 長春光學精密機械學院 (Changchun Institute of Optics and Fine Mechanics) and obtained his bachelor degree in engineering. He then obtained his 結業證書 (Certificate on continuing education) from the 香港中澳管理學院 (Hong Kong Sino-Australia Management College) in June 2001. From February 1982 to September 1992, Mr. Chai was employed by the 江蘇省揚州市曙光儀器廠 (Shuguang Appliances Factory of Yangzhou City, Jiangsu Province) as engineer and branch-factory manager. He then joined 銀利(廣州)電子電器實業有限公司 (Alpha Luck Electronic & Electric Appliance Industrial (Guangzhou) Ltd.) in October 1992 as project manager. In January 1994, Mr. Chai joined the Company and is responsible for research and development and overall management of the Group. Mr. Chai has over 20 years of experience in the flexible printed circuit production industry. Mr. Chai is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd., AKM Electronic Technology (Suzhou) Company Limited, Giant Rise Technology Limited and New Career Guangzhou Electronics Company Limited. Save as disclosed above, Mr. Chai does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholder of the Company.

Mr. Chai has first entered into a service agreement with the Company for a term of three years commenced from 1 August 2004 and was then reappointed for a further term of three years commenced from 1 August 2007. Following the expiration of such term, Mr. Chai entered into another service agreement with the Company for a further term of 3 years commenced from 1 August 2010, and thereafter will continue until being terminated by not less than three calendar months' notice in writing served by either party on the other. Pursuant to the service agreement, Mr. Chai received a remuneration of RMB420,000 per annum, which is determined by reference to his duties and experience, and shall be subject to review by the Board in January of each year.

Mr. Chai has been granted 4,800,000 share options from the Company and owns 11,500,000 Shares of the Company, but is not a substantial shareholder (as defined in the GEM Listing Rules) or controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, there is no other information to be disclosed in relation to Mr. Chai pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Li Ying Hong (李映紅), aged 49, is an executive Director. In July 1985, she obtained her bachelor degree in corporate finance and accounting from 江西財經學院 (Jiangxi College of Finance). In May 2003, she obtained her master degree in international management from Australia National University. During the period from August 1985 to February 2003, Ms. Li was employed as, amongst other roles, deputy chief accountant, deputy general manager and chief accountant of 中國萬寶工程公司 (Wanbao China Engineering Corporation). From March 2001 to April 2003, she was a director for 北方國際合作股份有限公司 (Norinco International Cooperation Company Limited), a company listed on the Shenzhen Stock Exchange in China. She is a non-executive director of Raymond Industrial Ltd., a company whose shares are listed on the Stock Exchange of Hong Kong, since July 2008. In June 2003, Ms. Li joined Silver City as a director, deputy general manager and financial controller. At the same time, she joined the Company and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Ms. Li is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Save as disclosed above, Ms. Li does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Ms. Li has first entered into a service agreement with the Company for a term of three years commenced from 1 August 2004 and was then reappointed for a further term of three years commenced from 1 August 2007. Following the expiration of such term, Ms. Li entered into another service agreement with the Company for a further term of 3 years commenced from 1 August 2010, and thereafter will continue until being terminated by not less than three calendar months' notice in writing served by either party on the other. Ms. Li received a nominal salary in the aggregate sum of HK\$10 per annum and thereafter such rate shall be subject to review by the Board in January of each year.

Ms. Li has been granted 2,600,000 share options from the Company and owns 2,700,000 Shares of the Company, but is not a substantial shareholder (as defined in the GEM Listing Rules) or controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, there is no other information to be disclosed in relation to Ms. Li pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Meng Weiwei (孟衛偉), aged 44, obtained his bachelor degree in economics and master degree in economics in July 1991 and July 1994 respectively from 中國人民大學 (Renmin University of China). He obtained the qualification of senior economist in December 2002. Mr. Meng joined 中國北方工業公司 (China North Industries Corporation) in January 1996 and is the vice supervisor of the strategic management department and strategic operation department since June 2004. Mr. Meng is a director of 北方工業科技有限責任公司, 北方裝備有限責任公司 and 北方萬坤置業有限公司, all of which are subsidiaries of 中國北方工業公司 (China North Industries Corporation). Mr. Meng is also a director of 北方凌雲工業集團有限公司, which shares are owned as to approximately 38.78% by 中國北方工業公司 (China North Industries Corporation). Save as disclosed above, Mr. Meng does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Meng was appointed as non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 2 November 2012, which term may be terminated by either Mr. Meng or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Meng is not entitled to any director's fee, but will be entitled to the reimbursement of reasonable expenses incurred incidental to his carrying out of duties as a Director.

Mr. Meng is not a shareholder, substantial shareholder (as defined in the GEM Listing Rules) or controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, there is no other information to be disclosed in relation to Mr. Meng pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Bi Keyun (畢克允), aged 74, is currently a fellow of 中國電子學會 (Chinese Institute of Electronics) and president of 中國電子學會電子製造與封裝技術分會 (Electronic Manufacturing & Packaging Technology Society of the Chinese Institute of Electronics). He is also the vice president of 中國半導體行業協會 (China Semiconductor Industry Association). Mr. Bi graduated from 中國科學技術大學 (University of Science and Technology of China) in 1963 and obtained the qualification of senior engineer (researcher level) from the former 中華人民共和國電子工業部 (Ministry of Electronic Industry). Mr. Bi has accumulated substantial experience in the research and development of semiconductor technology and has been chairman of the International Conference on Electronic Packaging Technology & High Density Package since 1994. Mr. Bi is an independent director of 寧波康強電子股份有限公司 (Ningbo Kangqiang Electronics Co., Ltd.), a company listed on the Shenzhen Stock Exchange, since October 2008. He was also an independent director of 天水華天科技股份有限公司 (Tianshui Huatian Technology Co., Ltd.), another company listed on the Shenzhen Stock Exchange, during the period from 2003 to 2010. Save as disclosed above, Mr. Bi does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Bi was appointed as an independent non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 4 February 2013, which term may be terminated by either Mr. Bi or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Bi is entitled to receive a director's fee of HK\$120,000 per annum, which is determined with reference to his experience and estimated time to be spent, which may be reviewed upwards or downwards in January of each year.

Mr. Bi is not a shareholder, substantial shareholder (as defined in the GEM Listing Rules) or controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, there is no other information to be disclosed in relation to Mr. Bi pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Liang Zhi Li (梁志立), aged 69, is currently a fellow of 中國電子學會 (CIE) and the deputy chief secretary of 中國印制電路行業協會 (CPCA). He graduated from 北京航空航天大學 (Beihang University) in September 1967. He has been highly involved and has accumulated substantial experience in the printed circuit board industry, in particular, the production of double-sided and multi-layer printed circuit boards. Mr. Liang does not hold any directorship in other listed companies in the past three years and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholder of the Company.

Mr. Liang was appointed as an independent non-executive Director since 19 March 2004. Mr. Liang has entered into an appointment confirmation letter with the Company for a term of three years commenced from 19 March 2013 which is terminable by either party by serving on the other party not less than three calendar months' prior notice in writing. Mr. Liang is entitled to receive a director's fee of RMB50,000 per annum, which is determined with reference to his duties and experience, which may be reviewed upwards or downwards in January of each year.

Mr. Liang has been granted 800,000 share options from the Company but is not a shareholder, substantial shareholder (as defined in the GEM Listing Rules) or controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries or associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders. Save as disclosed above, there is no other information to be disclosed in relation to Mr. Liang pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



AKM Industrial Company Limited 安捷利實業有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 8298)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM”) of AKM Industrial Company Limited (the “Company”) will be held at Rooms 2708-11, 27/F, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong on Wednesday, 8 May 2013 at 10:00 a.m. for the following purposes:

1. To receive and adopt the report of the directors of the Company for the year ended 31 December 2012;
2. To receive and adopt the audited consolidated accounts and the report of the auditors of the Company for the year ended 31 December 2012;
3. To declare a final dividend for the year ended 31 December 2012;
4. To re-elect the directors of the Company and to authorize the Board or its committee to fix the remunerations of the directors of the Company;
5. To consider and approve the re-appointment of Deloitte Touche Tohmatsu as the auditors of the Company and to authorize the Board to fix their remunerations;
6. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c) of this Resolution and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, and options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);

- (c) the aggregate nominal amount of share capital allotted, or agreed conditionally or unconditionally to be allotted (whether pursuant to the exercise of options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);

 - (ii) any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares 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 of the Company in accordance with the Articles of Association of the Company; or

 - (iv) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares,shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval in paragraph (a) shall be limited accordingly;

- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier 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 law or by the Articles of Association of the Company or any applicable law to be held; or

 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting,

and “**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such

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shares as at that date (subject to such exclusions or other arrangements as the directors of the Company 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).”

B. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and which are recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange and the Hong Kong Code on Share Repurchases as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier 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 law or by the Articles of Association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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- C. “**THAT** conditional upon the passing of the above Ordinary Resolutions No. A and B set out in this notice convening this meeting, the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to and in accordance with the mandate granted under the above Ordinary Resolution No. A be and is hereby, subject to the requirements of the GEM Listing Rules, increased and extended by the addition thereto of the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to and in accordance with the mandate granted under the above Ordinary Resolution No. B since the granting of such repurchase mandate, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By order of the Board
AKM Industrial Company Limited
Xiong Zheng Feng
Chairman

Hong Kong, 28 March 2013

Registered Office:

Rooms 2708-11, 27/F
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Principal place of business in China:

63 Huan Shi Road South
Information Technology Park
Nansha District
Guangzhou City
The People's Republic of China

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Notes:

- (i) Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a member of the Company.
- (ii) In order to be valid, the proxy form must be delivered to the share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the AGM or adjourned meeting thereof.
- (iii) Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) To ascertain shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from 30 April 2013 to 8 May 2013 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 29 April 2013.
- (v) Subject to the approval of the shareholders of the Company at the AGM, the proposed final dividend is expected to be payable on 11 June 2013 to the shareholders of the Company whose names appear on the register of members of the Company at close of business on 30 May 2013. To ascertain shareholders' entitlement to the final dividend, if the proposed final dividend is approved by the shareholders of the Company at the AGM, the register of members of the Company will be closed from 27 May 2013 to 30 May 2013 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the final dividend, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 24 May 2013.
- (vi) An explanatory statement in relation to the above Ordinary Resolution No. 6B is set out in Appendix I to the circular of the Company dated 28 March 2013.
- (vii) In accordance with the articles of association of the Company, Mr. Chai Zhi Qiang, Madam Li Ying Hong, Mr. Meng Weiwei, Mr. Bi Keyun and Mr. Liang Zhi Li will retire at the AGM and, being eligible, will offer themselves for re-election. Brief biographical details of such Directors are set out in Appendix II to the circular of the Company dated 28 March 2013.

As at the date hereof, the executive directors of the Company are Mr. Xiong Zheng Feng, Mr. Chai Zhi Qiang and Madam Li Ying Hong; the non-executive director of the Company is Mr. Meng Weiwei; and the independent non-executive directors of the Company are Mr. Hung Chi Yuen Andrew, Mr. Liang Zhi Li and Mr. Bi Keyun.