
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 2013 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 2013.

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 Thursday, 8 May 2014 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>.

20 March 2014

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 Thursday, 8 May 2014 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 622 of Laws of Hong Kong) as amended from time to time; “Director(s)” the director(s) of the Company; |
| “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; |

DEFINITIONS

| | |
|---------------------------|--|
| “Latest Practicable Date” | 14 March 2014, 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; |
| “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 Directors:

Meng Weiwei
Gong Jiantang

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

20 March 2014

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.

LETTER FROM THE CHAIRMAN

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

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 97,297,000 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 194,594,000 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.

LETTER FROM THE CHAIRMAN

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.

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 Directors are Mr. Meng Weiwei and Mr. Gong Jiantang, 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. Xiong Zheng Feng and Mr. Hung Chi Yuen Andrew shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Xiong Zheng Feng and Mr. Hung Chi Yuen Andrew 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. Gong Jiantang, a non-executive Director appointed by the Board on 27 January 2014 will also retire and being eligible, offer himself for re-election at the AGM.

Brief biographical details of Mr. Xiong Zheng Feng, Mr. Gong Jiantang and Mr. Hung Chi Yuen Andrew 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 972,970,000 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 97,297,000 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 2013 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 37.00% in the Company; Silver City International (Holdings) Limited (“Silver City”) held an indirect interest of approximately 37.00% in the Company through its wholly-owned subsidiary, Alpha Luck; China North Industries Corporation (“CNIC”) held an indirect interest of approximately 37.00% 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. Further, Goertek (HongKong) Co., Limited (“Goertek HongKong”) held a direct interest of approximately 29.90% in the Company; Weifang Goertek Trading Co., Limited. (“Weifang Goertek”) held an indirect interest of approximately 29.90% in the Company through its wholly-owned subsidiary, Goertek HongKong; GoerTek Inc (“GoerTek”) held an indirect interest of approximately 29.90% in the Company through its wholly-owned subsidiary, Weifang Goertek. Each of Goertek HongKong, Weifang Goertek and GoerTek 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 41.11%, while the shareholding of each of Goertek HongKong, Weifang Goertek and GoerTek in the Company would increase to approximately 33.22%. The resulting increase in the shareholdings of each of Alpha Luck, Silver City and CNIC would not give rise to an obligation on Alpha Luck, Silver City or CNIC to make a mandatory offer under Rule 26 of the Takeovers Code, but the resulting increase in the shareholdings of each of Goertek HongKong, Weifang Goertek and GoerTek would give rise to an obligation on Goertek HongKong, Weifang Goertek or GoerTek 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. As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to the extent that will give rise to an obligation to make a mandatory offer pursuant to Rule 26 of the Takeovers Code.

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 | Highest Price <i>HK\$</i> | Lowest Price <i>HK\$</i> |
|-------------|--------------|-------------------------------------|------------------------------------|
| 2013 | March | 0.440 | 0.375 |
| | April | 0.420 | 0.375 |
| | May | 0.395 | 0.300 |
| | June | 0.360 | 0.255 |
| | July | 0.360 | 0.325 |
| | August | 0.365 | 0.360 |
| | September | 0.400 | 0.320 |
| | October | 0.610 | 0.390 |
| | November | 0.900 | 0.450 |
| | December | 1.290 | 0.720 |
| 2014 | January | 0.930 | 0.700 |
| | February | 1.680 | 0.710 |
| | March* | 1.570 | 1.360 |

* *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. Xiong Zheng Feng (熊正峰), aged 44, is the chairman of the Company and an executive Director. In July 1992, he graduated from the Department of Computer Science of 南開大學 (Nankai University) and obtained his bachelor degree in science. He then obtained his master degree in economics from 南開大學經濟學院 (Nankai University School of Economics) in July 1995. Mr. Xiong joined 中國北方工業公司 (China North Industries Corporation) in August 1995 and took up the post of deputy general manager of 中國北方工業廈門公司 (China North Industries Xiamen Corporation) from October 1999 to November 2000. From April 2003 to January 2011, he was an alternate director of Raymond Industrial Ltd, a company whose shares are listed on the Stock Exchange of Hong Kong, and is a non-executive director since January 2011. In November 2000, Mr. Xiong joined Silver City International (Holdings) Ltd. (銀華國際(集團)有限公司) (“Silver City”), the controlling shareholder and a substantial shareholder of the Company, as assistant General Manager and was promoted to the position of Deputy General Manager of Silver City in March 2004. He is also a director of Alpha Luck Industrial Limited (安利實業有限公司), the controlling shareholder and a substantial shareholder of the Company, since March 2001. Mr. Xiong is also a director of the subsidiaries of the Group, namely AKM Electronics Industrial (Panyu) Ltd., AKM Electronic Technology (Suzhou) Company Limited and Giant Rise Technology Limited, and has resigned from his directorship in Giant Rise Technology Limited on 25 February 2014. Mr. Xiong joined the Company in March 2001 and is responsible for the Group’s corporate policy formulation, business strategies planning, business development and management of the Group. Save as disclosed above, Mr. Xiong 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.

Mr. Xiong 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. Xiong 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. Mr. Xiong 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.

Mr. Xiong has been granted 2,000,000 share options from the Company and owns 16,750,000 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. Xiong pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Gong Jiantang (宮見棠), aged 40, is currently Senior Deputy General Manager of GoerTek Inc. (“GoerTek”). Mr. Gong obtained a master degree in business management from 清華大學 (Tsinghua University) in 2004 and a bachelor degree in engineering from 哈爾濱工業大學 (Harbin Institute of Technology) in 1996. Mr. Gong was previously the technical manager of 深圳華為技術有限公司 (Huawei Technologies Co., Ltd) and supervisor engineer of 一汽-大宇 (煙台) 汽車發動機有限公司 (FAW-Daewoo (Yantai) Automotive Engines Co., Ltd.). Mr. Gong joined GoerTek in 2004 and has been a director of GoerTek (which is listed on the Shenzhen Stock Exchange) since 28 July 2010. Save as disclosed above, Mr. Gong 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. Gong was appointed as non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 27 January 2014, which term may be terminated by either Mr. Gong or the Company serving at least three calendar months’ prior notice in writing to the other party. Mr. Gong 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. Gong 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. Gong pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Hung Chi Yuen Andrew (洪志遠), aged 45, is currently the director of Norton Rowland CPA Limited. He received his professional training in Deloitte Touche Tohmatsu and had worked for UBS Investment Bank as business unit controller for seven years. Mr. Hung was awarded the degree of Bachelor of Arts in Accountancy by The Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) and the degree of Master of Applied Finance by the University of Western Sydney. Mr. Hung is a practicing Certified Public Accountant, an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Chartered Association of Certified Accountants. Mr. Hung is also an independent non-executive director of CIAM Group Limited (a subsidiary of CITIC International Assets Management Limited), a company listed on the Main Board of the Stock Exchange, since 1 July 2008. Save as disclosed above, Mr. Hung 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. Hung was appointed under a letter of appointment by the Company for a term of 3 years commenced from 17 October 2011, which term may be terminated by either Mr. Hung or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Hung is entitled to receive a director's fee of HK\$60,000 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. Hung 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. Hung 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 Thursday, 8 May 2014 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 2013;
2. To receive and adopt the audited consolidated accounts and the report of the auditors of the Company for the year ended 31 December 2013;
3. 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;
4. 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;

NOTICE OF ANNUAL GENERAL MEETING

5. 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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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).”

NOTICE OF ANNUAL GENERAL MEETING

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.”

NOTICE OF ANNUAL GENERAL MEETING

- 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, 20 March 2014

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

NOTICE OF ANNUAL GENERAL MEETING

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 2014 to 8 May 2014 (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 2014.
- (v) An explanatory statement in relation to the above Ordinary Resolution No. 5B is set out in Appendix I to the circular of the Company dated 20 March 2014.
- (vi) In accordance with the articles of association of the Company, Mr. Xiong Zheng Feng, Mr. Gong Jiantang and Mr. Hung Chi Yuen Andrew 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 20 March 2014.

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 directors of the Company are Mr. Meng Weiwei and Mr. Gong Jiantang; and the independent non-executive directors of the Company are Mr. Hung Chi Yuen Andrew, Mr. Liang Zhi Li and Mr. Bi Keyun.