
IMPORTANT

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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: 1639)

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

This circular is despatched together with the 2020 Annual Report of the Company, which contains the directors' report, the independent auditors' report by Messrs. SHINEWING (HK) CPA Limited and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

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, 26 May 2021 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 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 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.

23 April 2021

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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, 26 May 2021 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 Main Board;
“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;
“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 total number of Shares of the Company in issue as at the date of passing of the resolutions approving the same;
“Latest Practicable Date”	16 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange;

DEFINITIONS

“Main Board”	the main board of the Stock Exchange;
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the notice of the AGM;
“Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company in Hong Kong, 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 total number of Shares of the Company in issue 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 the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers 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: 1639)

Executive Director:

Xiong Zheng Feng (*Chairman*)

Non-executive Directors:

Gao Xiaoguang

Jia Junan

Wang Chunsheng

Zhang Xiaoming

Liu Jianzhe

Independent non-executive Directors:

Hung Chi Yuen Andrew

Cui Zheng

Zhang Guo Qi

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

188 Lushan Road

Suzhou National New & Hi-Tech

Industrial Development Zone

Suzhou 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

23 April 2021

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 153,823,750 Shares, representing 10% of the total number of Shares 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 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 not exceeding 20% of the total number of Shares 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 307,647,500 Shares, representing 20% of the total number of Shares of the Company in issue 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 total number of Shares 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 total number of Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate, provided that such extended amount will not exceed 10% of the total number of Shares 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 Director is Mr. Xiong Zheng Feng, the non-executive Directors are Mr. Gao Xiaoguang, Mr. Jia Junan, Mr. Wang Chunsheng, Madam Zhang Xiaoming and Mr. Liu Jianzhe, and the independent non-executive Directors are Mr. Hung Chi Yuen Andrew, Mr. Cui Zheng and Mr. Zhang Guo Qi.

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. Liu Jianzhe, a non-executive Director appointed by the Board on 10 June 2020, and Mr. Zhang Guo Qi, an independent non-executive Director appointed by the Board on 21 December 2020, will retire and being eligible, offer themselves for re-election at the AGM.

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. Jia Junan, Ms. Zhang Xiaoming and Mr. Hung Chi Yuen Andrew shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Jia Junan, Ms. Zhang Xiaoming, and Mr. Hung Chi Yuen Andrew, being eligible, will offer themselves for re-election at the AGM.

LETTER FROM THE CHAIRMAN

Mr. Hung Chi Yuen Andrew has served as independent non-executive Director for more than 9 years. The Company has received from Mr. Hung Chi Yuen Andrew a written confirmation of his independence according to Rule 3.13 of the Listing Rules. Throughout his directorship with the Company, Mr. Hung Chi Yuen Andrew has participated in meetings of the Board and Board committees to give impartial advice and exercise independent judgment. Mr. Hung Chi Yuen Andrew does not have any management role in the Group and does not have any relationship with any Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

The Nomination Committee has evaluated Mr. Hung Chi Yuen Andrew based on criteria including but not limited to his character and integrity, professional qualifications, skills, knowledge and experience, and is of the view that Mr. Hung Chi Yuen Andrew can contribute to the diversity of the Board, in particular, with Mr. Hung Chi Yuen Andrew's professional qualification and experience in accounting.

The Board is therefore satisfied that Mr. Hung Chi Yuen Andrew is able to continue to fulfill his role as required and meet the independence guidelines set out in Rule 3.13 of the Listing Rules, Mr. Hung Chi Yuen Andrew is recommended for further appointment subject to separate resolutions to be approved by the Shareholders at the AGM.

Brief biographical details of Mr. Jia Junan, Ms. Zhang Xiaoming, Mr. Liu Jianzhe, Mr. Hung Chi Yuen Andrew and Mr. Zhang Guo Qi are set out in Appendix II to this circular.

VI. PROCEDURES TO VOTE

Pursuant to Rule 13.39(4) of the 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 10.06(1)(b) of the 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 total number of issued Shares of the Company is 1,538,237,500 Shares.

The resolution proposed to be passed at the AGM relates to the grant of a general mandate to the Directors to repurchase Shares on Main Board 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 Shares 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 153,823,750 Shares, representing 10% of the existing issued Shares 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 Main Board 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 2020 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 Listing Rules and the applicable laws of Hong Kong.

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

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

No core connected person (as defined in the 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 of the Takeovers Code.

APPENDIX I**EXPLANATORY STATEMENT**

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following person held 10% or more of the issued shares of the Company:

Name	Number of Shares held as at the Latest Practicable Date	Approximate percentage in the issued Shares as at the Latest Practicable Date	Approximate percentage in the issued Shares in the event of the Repurchase Mandate is exercised in full
Alpha Luck Industrial Limited ("Alpha Luck") (Note 1)	553,900,000	36.01	40.01
China North Industries Corporation ("CNIC") (Notes 1 and 2)	553,900,000	36.01	40.01
China North Industries Group Corporation ("CNIGC") (Note 2)	553,900,000	36.01	40.01
China South Industries Group Corporation ("CSIGC") (Note 2)	553,900,000	36.01	40.01
Goertek (HongKong) Co., Limited ("HK Goertek") (Note 3)	363,650,000	23.64	26.26
Weifang Goertek Trading Co., Limited. ("Weifang Goertek") (Note 3)	363,650,000	23.64	26.26
GoerTek Inc ("GoerTek") (Note 3)	363,650,000	23.64	26.26
Jiang Bin (Note 4)	363,650,000	23.64	26.26
Hu Shuangmei (Note 4)	363,650,000	23.64	26.26
Anjie Technology (HongKong) Company Limited ("HK Anjie") (Note 5)	200,000,000	13.00	14.45
Suzhou Anjie Technology Co. Ltd ("Anjie Technology") (Note 5)	200,000,000	13.00	14.45
Wang Chunsheng (Note 6)	200,000,000	13.00	14.45
Lu Li (Note 6)	200,000,000	13.00	14.45

Notes:

1. As Alpha Luck is wholly and beneficially owned by CNIC, CNIC is deemed to be interested in the same number of shares of the Company held by Alpha Luck under Part XV of the SFO.
2. As the equity interest of CNIC was owned as to 56.7% by CNIGC and as to 37.54% by CSIGC, both of CNIGC and CSIGC are deemed to be interested in the same number of shares of the Company held by CNIC under Part XV of the SFO.
3. As HK Goertek is wholly and beneficially owned by Weifang Goertek, which in turn is wholly and beneficially owned by GoerTek, both Weifang Goertek and GoerTek are deemed to be interested in the same number of shares of the Company held by HK Goertek under Part XV of the SFO.
4. As at the Latest Practicable Date, GoerTek is owned as to 17.09% by GoerTek Group Co., Ltd., which in turn is owned as to 92.59% by Mr. Jiang Bin. Mr. Jiang Bin also owned 10.93% of the issued shares in GoerTek. Ms. Hu Shuangmei, the spouse of Mr. Jiang Bin, owned 0.63% of the issued shares in GoerTek. Each of Mr. Jiang Bin and Ms. Hu Shuangmei is deemed to be interested in the same number of shares of the Company in which GoerTek is interested under Part XV of the SFO.
5. As HK Anjie is wholly and beneficially owned by Anjie Technology, Anjie Technology is deemed to be interested in the same number of shares of the Company held by HK Anjie under Part XV of the SFO.
6. As at the Latest Practicable Date, Mr. Wang Chunsheng owned 23.16% of the issued shares in Anjie Technology. Ms. Lu Li, the spouse of Mr. Wang Chunsheng, owned 32.17% of the issued shares in Anjie Technology. Each of Mr. Wang Chunsheng and Ms. Lu Li is deemed to be interested in the same number of shares of the Company in which Anjie Technology is interested under Part XV of the SFO.

In the event that the Directors shall exercise the Repurchase Mandate in full, the interest of the above person in the issued shares of the Company will be increased as shown above. The interest in the Company of each of Alpha Luck, CNIC, CNIGC and CSIGC will be increased from approximately 36.01% to 40.01% respectively. Such increase will give rise to an obligation on each of Alpha Luck, CNIC, CNIGC and CSIGC to make a mandatory offer under Rule 26.1(c) 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 26.1(c) of the Takeovers Code or result in the amount of Shares held by the public being reduced to less than 25%.

8. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Main Board 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>
2020	April	1.020	0.900
	May	1.040	0.900
	June	0.980	0.900
	July	1.240	0.900
	August	1.160	0.960
	September	1.050	0.970
	October	1.030	0.960
	November	0.990	0.870
	December	1.050	0.900
	2021	January	1.080
February		1.150	0.990
March		1.090	0.990
April*		1.050	0.990

* 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. Jia Junan (賈軍安), aged 50, is currently vice president of and secretary to the board of directors of GoerTek. He graduated from Shandong Institute of Finance and Economics (山東財政學院) in July 1993 with a bachelor degree in economics and obtained his master degree in economics from Shandong University (山東大學) in 2003. Mr. Jia obtained a doctorate degree in economics in 2008 from Xiamen University (廈門大學). He is a member of The Association of Chartered Certified Accountants and a member of The Chinese Institute of Certified Public Accountants. Mr. Jia obtained a qualification certificate for secretary to board of directors (董事會秘書資格證書) issued by the Shenzhen Stock Exchange in 2013. Mr. Jia was previously manager of tax department of KPMG China, Tsingdao branch, and he joined GoerTek in 2010. Mr. Jia 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. Jia was appointed as a non-executive Director on 17 November 2015. Pursuant to his appointment confirmation dated 17 November 2018, Mr. Jia 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. Jia's appointment is for a term of 3 years commenced from 17 November 2018 and expiring on 16 November 2021 which term may be terminated by either Mr. Jia or the Company serving at least three calendar months' prior notice in writing to the other party.

Mr. Jia is not a shareholder, substantial shareholder (as defined in the Listing Rules) or controlling shareholder (as defined in the 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. Jia pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Ms. Zhang Xiaoming (張曉明), aged 42, is currently a director of Alpha Luck Industrial Limited and a supervisor of the finance department of China North Industries Corporation, the controlling shareholders of the Company. She obtained a master degree in accountancy in April 2003 from Dongbei University of Finance and Economics (東北財經大學). She also obtained a doctorate degree from The Research Institute for Fiscal Science of the Ministry of Finance (財政部財政科學研究所)(now known as Chinese Academy of Fiscal Sciences (中國財政科學研究院)) in July 2011. Ms. Zhang is a member of the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) since September 2010, and also a member of the Institute of Management Accountants since April 2003.

Ms. Zhang is a director of NORINCO International Cooperation Ltd. (北方國際合作股份有限公司)(a company listed on the Shenzhen Stock Exchange with stock code 000065) since 29 March 2017. Save as disclosed, Ms. Zhang 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.

Ms. Zhang was appointed as a non-executive Director on 24 August 2018. Pursuant to her appointment confirmation dated 24 August 2018, Ms. Zhang is not entitled to any director's fee, but will be entitled to the reimbursement of reasonable expenses incurred incidental to her carrying out of duties as a Director. Ms. Zhang's appointment is for a term of 3 years commenced from 24 August 2018 and expiring on 23 August 2021 which term may be terminated by either Ms. Zhang or the Company serving at least three calendar months' prior notice in writing to the other party.

Ms. Zhang is not a shareholder, substantial shareholder (as defined in the Listing Rules) or controlling shareholder (as defined in the 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. Zhang pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Liu Jianzhe (劉健哲), aged 52, a researcher level senior engineer, obtained his master degree in engineering from Beijing Institute of Technology (北京理工大學) in 1995. Mr. Liu joined China North Industries Corporation, the controlling shareholder of the Company, in 1995 and is currently senior manager of the human resources department of China North Industries Corporation. Mr. Liu has not been a director of any other listed public company in the last three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Liu is appointed as a non-executive Director on 10 June 2020. Pursuant to his appointment confirmation dated 10 June 2020, Mr. Liu 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. Liu's appointment is for a term of 3 years commenced from 10 June 2020 and expiring on 9 June 2023 which term may be terminated by either Mr. Liu or the Company serving at least three calendar months' prior notice in writing to the other party.

Mr. Liu is not a shareholder, substantial shareholder (as defined in the Listing Rules) or controlling shareholder (as defined in the 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. Liu pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Hung Chi Yuen Andrew (洪志遠), aged 52, is currently the director of Norton Rowland CPA Limited. He received his professional training in Deloitte Touche Tohmatsu and has 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 FDG Kinetic Limited and G-Vision International (Holdings) Limited respectively, companies which shares are listed on the Main Board of the Stock Exchange. Mr. Hung was appointed as an independent non-executive Director since 17 October 2011. 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 as an independent non-executive Director since 17 October 2011. Mr. Hung has entered into an appointment confirmation letter with the Company for a term of three years commenced from 17 October 2020 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\$100,000 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 Listing Rules) or controlling shareholder (as defined in the 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 13.51(2)(h) to (v) of the Listing Rules.

Mr. Zhang Guo Qi (張國旗), aged 61, received his doctorate degree in aerospace engineering from the Delft University of Technology and is currently chair professor of Center for Micro/Nanoelectronics System Integration and Reliability at the Delft University of Technology. Mr. Zhang is a Fellow of the Institute of Electrical and Electronics Engineers (IEEE) since 2014. He is currently the Secretary General of the IEEE International Technology Roadmap of Wide Bandgap Semiconductors, and also a Co-Chair of the Advisory Board of International Solid State Lighting Alliance (ISA) since 2010. Mr. Zhang received the Outstanding Sustained Technical Contribution Award from the IEEE Electronics Packaging Society (formerly known as IEEE Components, Packaging, and Manufacturing Technology Society) in 2015, the Special Achievement Award for Electronic Packaging Technologies from the Electronic Manufacturing and Packaging Technology Society of Chinese Institute of Electronics (CIEEMPT) in 2009, the Excellent Leadership Award in simulation and modeling of micro/nanoelectronics and systems from International Conference on Thermal, Mechanical and Multi-Physics Simulation and Experiments in Microelectronics and Microsystems (EuroSimE) in 2009, and Outstanding Contributions to Reliability Research Award from the European Center for Micro- and Nanoreliability in 2007. Save as disclosed above, Mr. Zhang 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. Zhang was appointed as an independent non-executive Director on 21 December 2020. Mr. Zhang has entered into an appointment confirmation letter with the Company for a term of three years commenced from 21 December 2020 which term may be terminated by either Mr. Zhang or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Zhang is entitled to receive a director's fee of HK\$100,000 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. Zhang is not a shareholder, substantial shareholder (as defined in the Listing Rules) or controlling shareholder (as defined in the 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. Zhang pursuant to the requirements of Rule 13.51(2)(h) to (v) of the 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: 1639)

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, 26 May 2021 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the report of the directors and independent auditors of the Company for the year ended 31 December 2020;
2. To declare a final dividend for the year ended 31 December 2020;
3. To re-elect Mr. Jia Junan as non-executive director of the Company;
4. To re-elect Ms. Zhang Xiaoming as non-executive director of the Company;
5. To re-elect Mr. Liu Jianzhe as non-executive director of the Company;
6. To re-elect Mr. Hung Chi Yuen Andrew as independent non-executive director of the Company;
7. To re-elect Mr. Zhang Guo Qi as independent non-executive director of the Company;
8. To authorize the Board or its committee to fix the remunerations of the directors of the Company;
9. To consider and approve the re-appointment of SHINEWING (HK) CPA Limited as the independent auditors of the Company and to authorize the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**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 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 amount of shares of the Company 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 amount of shares 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

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**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 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 Code of Share Buy-back as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate 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 amount of shares 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

12. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the above Ordinary Resolutions No. 10 and 11 set out in this notice convening this meeting, the aggregate amount of shares 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. 10 be and is hereby, subject to the requirements of the Listing Rules, increased and extended by the addition thereto of the aggregate amount of shares of the Company repurchased by the Company pursuant to and in accordance with the mandate granted under the above Ordinary Resolution No. 11 since the granting of such repurchase mandate, provided that such amount shall not exceed 10% of the aggregate amount of shares 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, 23 April 2021

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 Friday, 21 May 2021 to Wednesday, 26 May 2021 (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 Thursday, 20 May 2021.
- (v) Subject to the approval of the shareholders of the Company at the AGM, the proposed final dividend is expected to be paid on or around Friday, 18 June 2021 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 4 June 2021. 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 Wednesday, 2 June 2021 to Friday, 4 June 2021 (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 Tuesday, 1 June 2021.
- (vi) An explanatory statement in relation to the above Ordinary Resolution No. 11 is set out in Appendix I to the circular of the Company dated 23 April 2021.
- (vii) In accordance with the articles of association of the Company, Mr. Jia Junan, Ms. Zhang Xiaoming, Mr. Liu Jianzhe, Mr. Hung Chi Yuen Andrew and Mr. Zhang Guo Qi 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 23 April 2021.

As at the date hereof, the executive director of the Company is Mr. Xiong Zheng Feng; the non-executive directors of the Company are Mr. Gao Xiaoguang, Mr. Jia Junan, Mr. Wang Chunsheng, Madam Zhang Xiaoming and Mr. Liu Jianzhe; and the independent non-executive directors of the Company are Mr. Hung Chi Yuen Andrew, Mr. Cui Zheng and Mr. Zhang Guo Qi.