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

If you have sold or transferred all your shares in HL Technology Group Limited (the “Company”), you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee, or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HL Technology Group Limited

泓淋科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

**PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company



**Independent Financial Adviser to the
Independent Board Committee and
the Independent Shareholders**



Guotai Junan Capital Limited

A letter from the independent board committee of the Company is set out on pages 11 to 12 of this circular. A letter from Guotai Junan Capital Limited, containing its advice to the independent board committee and the independent shareholders of the Company is set out on pages 13 to 20 of this circular.

A notice convening the EGM of the Company to be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 15 January 2016 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the accompanying form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you wish and in such event the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 29 May 2015 at which, among others, a resolution for the grant of the Existing General Mandate to the Directors was duly passed by the Shareholders
“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	HL Technology Group Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Friday, 15 January 2016 for the purpose of considering and, if thought fit, approving the Refreshment of Existing General Mandate
“Existing General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and deal with a maximum of 144,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of AGM
“Existing Repurchase Mandate”	a general mandate granted to the Directors to exercise the power of the Company to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of share capital of the Company in issue as at the date of the AGM

DEFINITIONS

“Extension Mandate”	a general mandate granted to the Directors to effect that the aggregate nominal value of the Shares which may be allotted and issued under the Existing General Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Existing Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, namely, Mr. Thomas Tam, Mr. Pao Ping Wing, Mr. Qu Wen Zhou and Mr. Lu, Brian Yong Chen formed to advise the Independent Shareholders in respect of the Refreshment of Existing General Mandate
“Independent Financial Adviser”	Guotai Junan Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of Existing General Mandate
“Independent Shareholders”	any Shareholders other than the controlling shareholders of the Company and their associates or, if there are no controlling shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	23 December 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC for the purpose of this circular
“Refreshment of Existing General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting of the New General Mandate
“Share(s)”	ordinary share(s) of US\$0.02 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
“US\$”	The United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



HL Technology Group Limited

泓淋科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

Executive Directors:

Mr. WU Chi Luen (*Chief Executive Officer*)
Mr. LU Chengye (*Vice Chief Executive Officer*)
Ms. WANG Fang (*Vice Chief Executive Officer*)

Non-executive Directors:

Mr. WONG Kui Shing, Danny
Mr. CHAN Sek Keung, Ringo

Independent Non-executive Directors:

Mr. Thomas TAM
Mr. PAO Ping Wing
Mr. QU Wen Zhou
Mr. LU, Brian Yong Chen

Registered Office:

Floor 4
Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

33rd Floor
Shui on Centre
6-8 Harbour Road
Wanchai
Hong Kong

30 December 2015

To the Shareholders,

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the Refreshment of Existing General Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of EGM.

* for identification purpose only

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

Background of the Existing General Mandate

At the AGM, the Shareholders passed, among other things, the ordinary resolutions for granting the Directors (i) the Existing General Mandate to issue, allot and deal with not more than 144,000,000 Shares, representing 20% of 720,000,000 Shares in issue as at the date of passing such ordinary resolution at the AGM; and (ii) the Extension Mandate for the extension of the Existing General Mandate to effect the aggregate nominal value of the Shares which may be allotted and issued under the Existing General Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Existing Repurchase Mandate.

As set out in the announcement of the Company dated 24 July 2015, the Company completed a series of repurchase of an aggregate of 50,000,000 Shares in July 2015 under the Existing Repurchase Mandate. As a result, the repurchased 50,000,000 Shares were extended to the Existing General Mandate under the Extension Mandate and the number of new Shares that were allowed to be allotted, issued and dealt with increased from 144,000,000 Shares to 194,000,000 Shares.

As set out in the announcement of the Company dated 6 November 2015, the Company and Smoothly Global Holdings Limited (the “**Vendor**”) entered into the sale and purchase agreement pursuant to which the Company agreed to purchase and the Vendor agreed to sell 75% equity interest of the issued share capital of Fortune Grace Management Limited (the “**Target Company**”), for a total consideration of HK\$450 million, of which HK\$190.4 million shall be settled in cash and the balance of HK\$259.6 million shall be settled by the allotment and issue of 110,000,000 Shares (the “**Consideration Shares**”) by the Company to the Vendor under the Existing General Mandate (the “**Acquisition**”). The Acquisition was completed on 13 November 2015 and the Consideration Shares were allotted and issued to the Vendor on the same day.

As such, as at the Latest Practicable Date, the Existing General Mandate (including the additional 50,000,000 Shares extended under the Extension Mandate) had been utilized as to 110,000,000 Shares, representing approximately 56.70% of the 194,000,000 new Shares which were allowed to be allotted, issued and dealt with under the Existing General Mandate and the Extension Mandate.

Proposed Refreshment of Existing General Mandate

The EGM will be convened and held at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors will be granted the New General Mandate to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

As at the Latest Practicable Date, the Company had a total of 780,000,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New General Mandate

LETTER FROM THE BOARD

and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed to allot and issue up to 156,000,000 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date.

The New General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next general meeting of the Company is required to be held by the Company's articles of association or any applicable laws; and (c) the date upon which the authority is revoked or varied by way of ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Reasons for the Proposed Refreshment of Existing General Mandate

Since the granting of the Existing General Mandate at the AGM, there has been no refreshment of the Existing General Mandate. As at the Latest Practicable Date, only 84,000,000 additional new Shares can be allotted and issued under the Existing General Mandate and the Extension Mandate, representing approximately 10.77% of the entire issued share capital of the Company of 780,000,000 Shares (after a series of repurchase of an aggregate of 50,000,000 Shares in July 2015 (details of which are set out in the announcements of the Company dated 15 July 2015 and 24 July 2015)).

Based on the unaudited consolidated statement of financial position as contained in the interim report of the Company for the six months ended 30 June 2015, the unaudited cash and cash equivalents balance (excluding pledged deposits) of the Group was approximately RMB226.9 million as at 30 June 2015 while the outstanding interest-bearing bank and other borrowings of the Group was approximately RMB194.4 million as at 30 June 2015.

The Board considers to maintain financial flexibility of the Group is conducive to its future business development and investment. Taking into account that (i) the Existing General Mandate (including the additional 50,000,000 Shares extended under the Extension Mandate) has been utilized as to 56.70% upon completion of the aforesaid acquisition; (ii) the next annual general meeting of the Company is only expected to be held in May 2016, which is around five months away from the Latest Practicable Date; (iii) the Refreshment of Existing General Mandate will provide an alternative to increase amount of capital which may be raised under the New General Mandate; and (iv) the Refreshment of Existing General Mandate could provide more flexibility and options of financing to the Group for future investments and business development as and when it arises. Accordingly, the Board considers that the Refreshment of Existing General Mandate is in the interest of the Company and the Shareholders as a whole.

With the Acquisition completed on 13 November 2015, an amount of HK\$190.4 million of cash and cash equivalents balance was applied as part of the consideration and given the Existing General Mandate (including the additional 50,000,000 Shares extended under the Extension Mandate) has been utilized as to 56.70%, should any business development and investment opportunities arise that would require additional funding by means of cash or the

LETTER FROM THE BOARD

issuance of new Shares and a specific mandate has to be sought, the Board considers that it is uncertain whether the requisite approval from Shareholders or Independent Shareholders, as the case may be, could be obtained in a timely manner.

As at the Latest Practicable Date, save for the Acquisition as previously announced by the Company, the Company has no other plans or negotiations in relation to other new investment opportunities and/or acquisition. Accordingly, the Company has no current plan to utilize the New General Mandate.

Change in shareholding structure of the Company

For illustration purpose only, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the New General Mandate (assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM):

	As at the		Upon full	
	Latest Practicable Date		utilization of the	
	<i>No. of</i>	<i>Approximate</i>	<i>No. of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Substantial Shareholders				
Mr. Liu Dafan (<i>Note 1</i>)	97,000,839	12.44	97,000,839	10.36
Mr. Cheng Wen (<i>Note 2</i>)	90,000,000	11.54	90,000,000	9.62
Smoothly Global Holdings Limited	110,000,000	14.10	110,000,000	11.75
Maximum number of new Shares to be issued pursuant to the New General Mandate if granted	–	–	156,000,000	16.67
Public Shareholders:	482,999,161	61.92	482,999,161	51.60
Total	780,000,000	100.00	936,000,000	100.00

Notes:

1. Mr. Liu Dafan was deemed to be interested in 97,000,839 Shares held by Asia Venture Holdings Corporation by virtue of it being wholly-owned by Mr. Liu Dafan.
2. Mr. Cheng Wen was deemed to be interested in 90,000,000 Shares held by Castle Gate Ventures Limited by virtue of it being wholly-owned by Mr. Cheng Wen.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
6 November 2015	Issue of 110,000,000 consideration Shares at HK\$2.36 each under the Existing General Mandate	HK\$259.6 million	All the net proceeds would be applied for the aforesaid acquisition of the Target Company	All of the net proceeds had been utilized for the aforesaid acquisition of the Target Company and was issued by the Company to the Vendor on 13 November 2015

THE LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders of the Company, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution on the Refreshment of Existing General Mandate to be proposed at the EGM.

Accordingly, Mr. Wu Chi Luen, Mr. Lu Chengye and Ms. Wang Fang, who are the executive Directors and Mr. Wong Kui Shing, Danny and Mr. Chan Sek Keung, Ringo who are the non-executive Directors as at the Latest Practicable Date, together with their respective associates, will abstain from voting on the resolution to approve the Refreshment of Existing General Mandate to be proposed at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Thomas Tam, Mr. Pao Ping Wing, Mr. Qu Wen Zhou and Mr. Lu, Brian Yong Chen, with all of them being the independent non-executive Directors, has been established to advise the Independent Shareholders on the Refreshment of Existing General Mandate.

Guotai Junan Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

EGM

The EGM will be convened and held to consider and, if thought fit, pass the ordinary resolution to approve the Refreshment of Existing General Mandate.

A notice convening the EGM to be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 15 January 2016 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM of the Company, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 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 of the EGM of the Company or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM of the Company or any adjournment thereof if you so wish.

The ordinary resolution to approve the Refreshment of Existing General Mandate at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the results of the EGM.

RECOMMENDATION

The Board considers that the Refreshment of Existing General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM. Your attention is drawn to the letter from the Independent Board Committee as set out on pages 11 to 12 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of Existing General Mandate. Your attention is also drawn to the letter from the Independent Financial Adviser as set out on pages 13 to 20 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of Existing General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief that 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.

By order of the Board
HL Technology Group Limited
Wu Chi Luen
Executive Director and CEO



HL Technology Group Limited

泓淋科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

30 December 2015

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

We refer to the circular from the Company to the Shareholders dated 30 December 2015 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in connection with the Refreshment of Existing General Mandate and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matter and to recommend how the Independent Shareholders should vote at the EGM in respect of the aforesaid matter. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 13 to 20 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular.

Having taken into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the Refreshment of Existing General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the Refreshment of Existing General Mandate at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee of

HL Technology Group Limited

**Mr. Thomas Tam Mr. Pao Ping Wing Mr. Qu Wen Zhou Mr. Lu, Brian
Yong Chen**

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Guotai Junan Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, in relation to the Refreshment of Existing General Mandate, which has been prepared for the purpose of inclusion in this circular.



28/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

30 December 2015

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed Refreshment of Existing General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 30 December 2015 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, the Existing General Mandate given to the Directors to exercise the powers of the Company to issue up to 144,000,000 Shares, representing 20% of the then issued share capital of the Company as at 29 May 2015 (being the date of the AGM). As set out in the announcement dated 24 July 2015, the Company completed a series of repurchase of an aggregate of 50,000,000 Shares in July 2015 pursuant to the Extension Mandate passed by the Shareholders at the AGM held on 29 May 2015. As a result, the Existing General Mandate has been extended by an addition of an amount representing the aforesaid aggregate nominal value of Shares repurchased under the Extension Mandate. Accordingly, the number of new Shares that were allowed to be allotted, issued and dealt with has increased from 144,000,000 Shares to 194,000,000 Shares. The Existing General Mandate (including the additional 50,000,000 Shares extended under the Extension Mandate) has been utilised after the issue of 110,000,000 Shares (the “**Consideration Shares**”) pursuant to the acquisition (the “**Acquisition**”) of Fortune Grace Management Limited as to approximately 56.70% of 194,000,000 new Shares allowed to be allotted, issued and dealt with under the Existing General Mandate and the Extension Mandate. (Details of which are set out in the announcements (the “**Acquisition Announcements**”) of the Company dated 6 November 2015 and 13 November 2015). Therefore, the Board proposes to seek approval of the Independent

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Shareholders to refresh the Existing General Mandate such that the Directors will be granted the authority to allot, issue and otherwise deal with the Shares up to 20% of the Company's issued share capital as at the date of passing the relevant resolution at the EGM in order to maintain its financial flexibility. Pursuant to Rule 13.36(4) of the Listing Rules, the proposed Refreshment of Existing General Mandate requires the approval of the Independent Shareholders at the EGM at which any controlling Shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the proposed Refreshment of Existing General Mandate and under Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by way of poll except for purely procedural or administrative matters. Accordingly, Mr. Wu Chi Luen, Mr. Lu Chengye and Ms. Wang Fang, who are the executive Directors and Mr. Wong Kui Shing, Danny and Mr. Chan Sek Keung, Ringo who are the non-executive Directors as at the Latest Practicable Date, together with their respective associates, will abstain from voting on the resolution to approve the proposed Refreshment of Existing General Mandate to be proposed at the EGM.

An Independent Board Committee comprising Mr. Thomas Tam, Mr. Pao Ping Wing, Mr. Qu Wen Zhou and Mr. Lu, Brian Yong Chen, all of them being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the proposed Refreshment of Existing General Mandate. We, Guotai Junan Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are not connected with the directors, chief executive and substantial shareholders of the Company, the Group or their respective associates and do not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date, and are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. During the past year, we were engaged as an independent financial adviser (the "**Previous Engagement**") in respect of a major and connected transaction and a continuing connected transaction of the Company (for details, please refer to the circular of the Company dated 10 June 2015). Under the Previous Engagement, we were required to express our opinion on and give recommendation to the then Independent Board Committee and then Independent Shareholders in respect of the aforesaid transactions. Apart from professional fees payable to us by the Company solely in connection with the Previous Engagement and this appointment which are of normal commercial terms, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company or any of their subsidiaries or their respective associates.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

BASIS AND ASSUMPTIONS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations expressed to us by the Directors and management of the Company. We have assumed that all such statements, information, opinions and representations expressed to us by the Directors and management of the Company, for which they are solely and collectively responsible, are true, accurate and complete in all material aspects at the time they were made and up to the date of the Circular. We have also assumed that all the opinions and representations have been reasonably made by the Directors and the management of the Company after due and careful enquiry. We have also sought and obtained confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Company or any of its subsidiaries, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONCERNED

In arriving at our opinion regarding the proposed Refreshment of Existing General Mandate, we have considered the following principal factors and reasons:

(1) Background of and reasons for the proposed Refreshment of Existing General Mandate

The Group is principally engaged in the design, research and development, provision of communication system and related products, network system integration and software solutions.

At the AGM held on 29 May 2015, the Shareholders passed, among other things, the ordinary resolutions for granting the Directors (i) the Existing General Mandate to issue, allot and deal with not more than 144,000,000 Shares, representing 20% of the entire issued share capital of the Company of 720,000,000 Shares as at the date of passing the relevant resolution; and (ii) the Extension Mandate for the extension of the Existing General Mandate to effect the aggregate nominal value of the Shares which may be allotted and issued under the Existing General Mandate by extending an addition of an amount representing the aggregate nominal value of Shares repurchased under the Existing Repurchase Shares.

As set out in the announcements (the “**Repurchase Announcements**”) of the Company dated 15 July 2015 and 24 July 2015, the Company conducted and completed a series of repurchase of an aggregate of 50,000,000 Shares in July 2015 under the Existing Repurchase Mandate. As a result, the repurchased 50,000,000 Shares were extended to the Existing General Mandate under the Extension Mandate and the number of new Shares that were allowed to be allotted, issued and dealt with increased from 144,000,000 Shares to 194,000,000 Shares.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As set out in the Acquisition Announcements, the Company and an independent third party (the “Vendor”) entered into a sale and purchase agreement pursuant to which the Company agreed to purchase and the Vendor agreed to sell 75% equity interest of the issued share capital of Fortune Grace Management Limited, for a total consideration of HK\$450 million, of which HK\$190.4 million shall be settled in cash and the balance of HK\$259.6 million shall be settled by the allotment and issue of the Consideration Shares by the Company to the Vendor under the Existing General Mandate. The Acquisition was completed on 13 November 2015 and the Consideration Shares were allotted and issued to the Vendor on the same day.

Since the date of the AGM to the Latest Practicable Date, save for the Consideration Shares, no Shares were issued pursuant to the Existing General Mandate or the Extension Mandate, and the Existing General Mandate has not been refreshed. As a result, 84,000,000 Shares remain unissued pursuant to the Existing General Mandate and the Extension Mandate, representing approximately 10.77% of the entire issued share capital of the Company of 780,000,000 Shares as at the Latest Practicable Date (after a series of repurchase of an aggregate of 50,000,000 Shares in July 2015 (details of which are set out in the Repurchase Announcements and the issue of the 110,000,000 Consideration Shares).

As over half of the Existing General Mandate (including the Extension Mandate) has been utilised as at the Latest Practicable Date, if the Existing General Mandate is not refreshed and assuming that no Shares will be issued and/or repurchased and cancelled by the Company from the Latest Practicable Date to the date of the EGM, the Directors would only be allowed to further allot and issue up to 84,000,000 Shares, representing approximately 10.77% of the entire issued share capital of the Company of 780,000,000 Shares as at the Latest Practicable Date and as at the date of EGM respectively.

In order to top up the number of Shares to be issued pursuant to the Existing General Mandate (including the additional 50,000,000 Shares extended under the Extension Mandate) and to maintain financial flexibility to raise further capital through the issue of new Shares before the next annual general meeting of the Company, the Company proposes to seek approval of the Independent Shareholders at the EGM to grant the general mandate so that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the entire issued share capital of the Company as at the date of EGM. As advised by the Company, the proposed Refreshment of Existing General Mandate is expected to be utilised for supplementing operational working capital and future investments and business development as and when it arises.

As at the Latest Practicable Date, the Company had a total of 780,000,000 Shares in issue. Subject to the approval of the Independent Shareholders for the proposed Refreshment of Existing General Mandate at the EGM and on the basis that no further Shares will be issued and/or repurchased and cancelled by the Company between the Latest Practicable Date and the date of the EGM, the Directors will be allowed to allot and issue up to 156,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the EGM and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Shares in full under the New General Mandate.

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Based on the above, and having considered that the next annual general meeting of the Company is expected to be held in around end of May 2016 as advised by the Company, which is around five months away from the Latest Practicable Date, we are of the view that the proposed Refreshment of Existing General Mandate will (i) provide the Company with a mean of financing and thus a financing flexibility for any funding needs for future investments and business development as and when it arises; and (ii) enable the Company to raise funds in a meaningful quantum if and when necessary in a timely manner. Thus, we concur with the view of the Directors that there is commercial rationale for the Company to seek the approval of the Independent Shareholders for the proposed Refreshment of Existing General Mandate.

(2) Fund raising activities of the Company during the past twelve months

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
6 November 2015	Issue of 110,000,000 Consideration Shares at HK\$2.36 each under the Existing General Mandate	HK\$259.6 million	To settle part of the consideration pursuant to the Acquisition	All of the net proceeds had been utilised as intended

Save as and except for the abovementioned, the Company has not conducted any capital fund raising activity in the past twelve months immediately prior to the Latest Practicable Date.

Meanwhile, according to the interim report of the Company for the six months ended 30 June 2015, the Company had (i) an unaudited net cash (being cash and cash equivalents less borrowings) of approximately RMB32.4 million; (ii) an unaudited trade and bills receivables of approximately RMB1,170.7 million; and (iii) an unaudited trade and bills payables of approximately RMB693.1 million, as at 30 June 2015. We noted that the Company has conducted certain corporate actions since July 2015 which involved significant amounts of cashflow. As set out in the Repurchase Announcements, the Company has conducted a series of share repurchase actions during July 2015 and the aggregate consideration of the share repurchase was approximately HK\$189.8 million (equivalent to approximately RMB157.1 million) which were funded by the existing available cash reserves and free cash flow of the Company. In addition, according to the Acquisition Announcements, the Company completed the Acquisition on 13 November 2015 and pursuant to which, the Company has to settle part of the consideration with cash of HK\$190.4 million (equivalent to approximately RMB157.6 million) of which approximately HK\$90.0 million (equivalent to approximately RMB74.5 million) remained outstanding as at the Latest Practicable Date. Recently, the Company intended to reallocate its resources to research and development and sales and marketing of Enterprise Private Network Solutions, and thus disposed of certain properties, equipment and

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motor vehicles pursuant to the sale and purchase agreements dated 4 December 2015 and expected to realise a gain of disposal in the amount of approximately RMB1.6 million. Thus, it is expected that the net cash position of the Company has decreased accordingly. As part of our due diligence work, we have enquired the Company as to the latest financial position and noted that the unaudited net cash position of the Company was approximately RMB43 million as at 30 November 2015.

Moreover, we have enquired the Company as to the expected capital requirement of the Company (particularly the newly acquired business of network system integration, including provision of network infrastructure solutions and net professional services as well as internet related software solutions) in the coming six months, and we were advised by the Company that (i) the Company expects to require more working capital to cope with its business expansion; and (ii) the Company intends to spend approximately RMB8.3 million on research and development and marketing for its office automation software business, and approximately RMB4.1 million on the purchases of fixed assets in 2016 respectively. Thus, the Company considers that there is a need of obtaining additional source of fund.

In light of the abovementioned, we concur with the view of the Directors that the proposed Refreshment of Existing General Mandate could provide extra flexibility (after taking into account the potential utilisation of the Extension Mandate) and an appropriate option of financing to the Company.

(3) Other financing alternatives

We have enquired with the Company and were confirmed that, except for equity financing, the Group has also considered debt financing, such as bank borrowings and issuance of bonds, to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the prevailing market condition. Given that debt financing will increase the gearing of the Company and will usually incur interest burden on the Company, and may involve lengthy due diligence and negotiations with banks as well as pledge of assets by the Group, the Company considers debt financing to be relatively uncertain and time-consuming as compared to equity financing for the Group to obtain additional funding. The Company has also considered other pre-emptive equity financing methods such as rights issue and open offer (both allow the Shareholders to maintain their respective prorata shareholdings in the Company) as compared with other means of equity financing under the New General Mandate. However, the Company considers that the aforesaid pre-emptive equity financing methods are usually more time-consuming and costly as compared with the placing or subscription of new Shares.

The Company confirmed that they would exercise due and careful consideration when choosing the optimal method of financing for the Company to the best of their knowledge and belief, such as debt financing and equity financing, including but not limited to, rights issue and open offer. With this being the case, and in view that the proposed Refreshment of Existing General Mandate could provide the Company with the extra financing flexibility (after taking into account the potential utilisation of the Extension Mandate) for future investments and

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business development of the Company as and when it arises, we consider that the proposed Refreshment of Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

(4) Potential dilution to shareholding of the Independent Shareholders

For illustration purpose only, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no further Shares are issued and/or repurchased and cancelled by the Company between the Latest Practicable Date and the date of the EGM):

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Substantial Shareholders				
Mr. Liu Dafan (<i>Note 1</i>)	97,000,839	12.44	97,000,839	10.36
Mr. Cheng Wen (<i>Note 2</i>)	90,000,000	11.54	90,000,000	9.62
Smoothly Global Holdings Limited	110,000,000	14.10	110,000,000	11.75
Maximum number of new Shares to be issued pursuant to the New General Mandate if granted	–	–	156,000,000	16.67
Public Shareholders:	<u>482,999,161</u>	<u>61.92</u>	<u>482,999,161</u>	<u>51.60</u>
Total	<u>780,000,000</u>	<u>100.00</u>	<u>936,000,000</u>	<u>100.00</u>

Notes:

1. Mr. Liu Dafan was deemed to be interested in 97,000,839 Shares held by Asia Venture Holdings Corporation by virtue of it being wholly-owned by Mr. Liu Dafan.
2. Mr. Cheng Wen was deemed to be interested in 90,000,000 Shares held by Castle Gate Ventures Limited by virtue of it being wholly-owned by Mr. Cheng Wen.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased and cancelled by the Company between the Latest Practicable Date and the date of the EGM, 156,000,000 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% of the issued share capital as at the date of the EGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 61.92% as at the Latest Practicable Date to approximately 51.60% upon full utilisation of the New General Mandate (being the potential maximum dilution of shareholding of the existing public Shareholders of approximately 10.32%).

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Taking into account that the proposed Refreshment of Existing General Mandate (i) would provide the Company with alternative means to raise capital; (ii) would provide extra flexibility to the Company for its future investments and business development as and when they arise; and (iii) the shareholding of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon the intended utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as aforementioned is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the proposed Refreshment of Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Independent Shareholders are, however, reminded to note that potential dilution effect of the full utilisation of the New General Mandate on their shareholding interests in the Company. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the proposed Refreshment of Existing General Mandate.

Yours faithfully,
For and on behalf of
Guotai Junan Capital Limited
Wilson Lo
Deputy General Manager

Note: Mr. Wilson Lo has been a responsible officer of Type 6 (advising on corporate finance) regulated activity since 2006. Mr. Wilson Lo has more than ten years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions (including connected transactions of listed companies in Hong Kong).

NOTICE OF EGM



HL Technology Group Limited

泓淋科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of HL Technology Group Limited (the “**Company**”) will be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 15 January 2016 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:**

- (A) the general mandate granted to the directors of the Company (the “**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 May 2015 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (B) subject to paragraph (D) of this resolution below, the exercise by the Directors during the Relevant Period (as defined in paragraph (E) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company), which might require the exercise of such power be and the same is hereby generally and unconditionally approved;

* *for identification purpose only*

NOTICE OF EGM

- (C) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might or would require the exercise of such power (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (D) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (B) and (C) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (E) below); or (ii) the exercise of any options granted under the share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and employees of the Company and/or its subsidiaries of shares or rights to subscribe for shares of the Company; or (iii) any script dividend scheme or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and the authority of this resolution shall be limited accordingly; and
- (E) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands 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 a general meeting.

NOTICE OF EGM

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

By order of the Board
HL Technology Group Limited
Wu Chi Luen
Executive Director and CEO

Hong Kong, 30 December 2015

Registered Office:

Floor 4
Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:

33rd Floor
Shui on Centre
6-8 Harbour Road
Wanchai
Hong Kong

Notes:

1. Every member entitled to attend and vote at the above EGM (or at any adjournment thereof) is entitled to appoint another person as his proxy. Any member who holds two or more Shares may appoint more than one proxy. A proxy need not be a member of the Company. The number of proxies appointed by a clearing house (or its nominee) is not subject to the aforesaid limitation.
2. Where there are joint holders of any Share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share will alone be entitled to vote in respect thereof.

NOTICE OF EGM

3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or authority), must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not be preclude a member from attending the EGM and voting in person if he so wishes and in such event, the form of proxy should be deemed to be revoked.
4. Pursuant to Rule 13.39(4) of the Listing Rules the resolution set out in this notice shall be decided by poll at the meeting except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

As at the date of this announcement, the executive Directors of the Company are Mr. Wu Chi Luen (CEO), Mr. Lu Chengye and Ms. Wang Fang; the non-executive Directors are Mr. Wong Kui Shing, Danny and Mr. Chan Sek Keung, Ringo and the independent non-executive Directors are Mr. Thomas Tam, Mr. Pao Ping Wing, Mr. Qu Wen Zhou and Mr. Lu, Brian Yong Chen.