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## **KINGWELL GROUP LIMITED**

### **京維集團有限公司**

(formerly known as Sinotronics Holdings Limited

前稱華翔微電子控股有限公司\*)

(incorporated in the Cayman Islands with limited liability)

(Stock code : 1195)

### **Notice of Extraordinary General Meeting**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Kingwell Group Limited (the “**Company**”) will be held at Boardroom 3 & 4, Mezzanine Floor, Renaissance Harbour View Hotel, No.1 Harbour Road, Wanchai, Hong Kong on 24th May, 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

#### **ORDINARY RESOLUTION**

1. “**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the shares of HK\$0.10 each in the share capital of the Company (“**Shares**”) which may fall to be issued upon the conversion of the Convertible Bonds (as defined below):
  - (a) the creation and issue of the convertible bonds to be issued by the Company (the “**Convertible Bonds**”) conferring rights on holders thereof to convert into new Shares at the initial conversion price of HK\$0.28 per Share (subject to adjustment), subject to the terms substantially set out in the instrument constituting the Convertible Bonds (the “**Bond Instrument**”) (a copy of the final draft of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification), during the period from the date of first issue of the Convertible Bonds to the date being 14 business days immediately preceding the third anniversary of the date of the Bond Instrument to be executed by way of deed poll by the Company be and hereby approved;
  - (b) (i) the directors of the Company be and are hereby authorised to allot and issue up to 450,000,000 new Shares which would fall to be issued upon the conversion of the Convertible Bonds in accordance with the terms and conditions of the Bond Instrument; and (ii) the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements as they may, in their absolute discretion, deem necessary or expedient or appropriate.”

2. **“THAT,**

- (a) The agreement dated 25th March, 2010 entered into between the Company as purchaser and Mr. Hui Lung Hing as vendor (the **“Vendor”**) in relation to the sale and purchase of 70% share capital in Stephigh Group Limited (**“Stephigh”**) at a consideration of HK\$126,000,000 (the **“Acquisition Agreement”**), marked “B” and initialed by the chairman of the meeting for the purpose of identification; and further details which are set out in the circular of the Company dated 7th May, 2010 (a copy of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification)) and all the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue of the Convertible Bonds to be issued to the Vendor as part of the consideration pursuant and subject to the terms and conditions of the Acquisition Agreement be and are hereby approved; and
- (c) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Acquisition Agreement, or any of the transactions contemplated under the Acquisition Agreement and to agree to such variation, amendments, waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Acquisition Agreement) as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

3. **“THAT,**

- (a) the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares as approved by the shareholders of the Company (the **“Shareholders”**) at the annual general meeting of the Company held on 17th December, 2009 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carrying rights to subscribe for and are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carrying rights to subscribe for and are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

- (d) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into Shares, or (iii) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to any eligible grantees to acquire Shares, or (iv) any scrip dividend or similar arrangement of the Company providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (e) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of 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 any applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

4. **“THAT,**

Paragraph 4.3 of the share option scheme of the Company adopted on 11th February, 2010 (the “Share Option Scheme”) be deleted in its entirety and be replaced by the following paragraph:

“The grant of Options to any Director, chief executive or substantial shareholder (as that term is defined in the Listing Rules) of the Company or their respective associates shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive director who is the proposed grantee of the Option). Where any grant of Options to an independent non-executive director or substantial shareholder (as that term is defined in the Listing

Rules), or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue for the time being; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be approved by the Shareholders (voting by way of poll). All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.”

5. “**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Company, representing 10% of the issued share capital of the Company as at the day on which this resolution is passed, the existing scheme mandate limit in respect of the granting of share options under the Share Option Scheme be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option scheme of the Company shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of passing of this resolution.”

By Order of the Board  
**KINGWELL GROUP LIMITED**  
**Kuo Kwan Belinda**  
*Company Secretary*

Hong Kong, 7th May, 2010

*Notes:*

- 1. A form of proxy for use at the EGM is enclosed herewith.
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorized to sign the same.

3. Any shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend and vote instead of him/her on the same occasion. A proxy need not be a shareholder of the Company but must attend the EGM in person to represent him/her.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the EGM is also published on the HKExnews website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.sinotronics.com.cn](http://www.sinotronics.com.cn).
5. Completion and return of the form of proxy will not preclude any shareholders from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the EGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

*As at the date of this announcement, the Board comprises Ms. Xu Yue Yue, Mr. Xiang Song, Mr. Sze Ming Yee, Mr. Lin Wan Xin, Mr. Chan Kin and Mr. Tu Shuguang as executive Directors, and Mr. Li Jianguo, Mr. Cheung Chuen and Ms. Wong Lai Wing as independent non-executive Directors.*

*\* for identification purposes only*