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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 Megalogic Technology Holdings Limited (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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MEGALOGIC TECHNOLOGY HOLDINGS LIMITED

宏創高科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8242)

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (the “**AGM**”) to be held at Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 April 2017 at 3:00 p.m. is set out on pages 17 to 21 of this circular. A form of proxy for use by the shareholders of the Company at the AGM is enclosed.

Whether or not you are able to attend the AGM, you are advised to read this circular and the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) in person should you so wish and in such event, the form of proxy shall be deemed to be revoked.

*This circular will remain on the Growth Enterprise Market (“**GEM**”) website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at www.megalogic.com.hk.*

30 March 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 April 2017 at 3:00 p.m. or any adjournment thereof, for the purpose of considering and if thought fit, approving, <i>inter alia</i> , the resolutions proposed in this circular
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Codes”	The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong as amended from time to time
“Company”	Megalogic Technology Holdings Limited (Stock Code: 8242), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Existing Issue Mandate”	the general mandate to issue up to 276,480,000 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 29 April 2016
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the total number of shares of the Company in issue as at the date of passing of the relevant resolution at the AGM

DEFINITIONS

“Latest Practicable Date”	Friday, 24 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Memorandum”	the memorandum of association of the Company as amended, supplemented or modified from time to time
“Notice of AGM”	the notice convening the AGM set out on pages 17 to 21 of this circular
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase the Shares of total number not exceeding 10% of the total number of shares of the Company in issue as at the date of passing the relevant resolution at the AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and other such schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 16 May 2012
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In this circular, the English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*

LETTER FROM THE BOARD

MEGALOGIC TECHNOLOGY HOLDINGS LIMITED

宏創高科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8242)

Executive Directors:

Mr. Zhang Qing (*Chairman*)

Dr. Sung Tak Wing Leo (*Chief Executive Officer*)

Non-executive Directors:

Mr. Ye Jian

Mr. Liu Kam Lung

Independent Non-executive Directors:

Mr. Cheung Chi Man Dennis

Mr. Chiu Yu Wang

Mr. Ko Yin Wai

Registered Office:

190 Elgin Avenue

George Town

Grand Cayman KY1-9005

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Suite 2101, 21/F.

Chinachem Century Tower

178 Gloucester Road

Wan Chai, Hong Kong

30 March 2017

To the Shareholders

Dear Sirs or Madams,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF SCHEME MANDATE LIMIT OF
THE SHARE OPTION SCHEME,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) the granting of the Issue Mandate to the Directors to issue Shares;
- (b) the granting of the Repurchase Mandate to the Directors to repurchase Shares;
- (c) the granting of the extension mandate to extend the Issue Mandate by an amount representing the total number of any Shares repurchased under the Repurchase Mandate;

LETTER FROM THE BOARD

- (d) the Proposed Refreshment of the Scheme Mandate Limit under the Share Option Scheme; and
- (e) the re-election of Directors.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 29 April 2016, the Directors were given a general mandate to allot and issue Shares. As at the Latest Practicable Date, there are no new Shares which may be issued and allotted under the Existing Issue Mandate. The Existing Issue Mandate will expire at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be given a general mandate to allot, issue and deal with new Shares with an total number of up to 20% of the total number of shares of the Company in issue as at the date of passing of the relevant resolution at the AGM. The Issue Mandate may only continue in force until the earliest 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 the Articles, or any applicable law of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 April 2016, the Directors were given a general mandate to exercise the power of the Company to repurchase Shares. The mandate will lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase issued and fully-paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of the relevant resolution at the AGM. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the GEM Listing Rules.

The Repurchase Mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company following the passing of the Repurchase Mandate; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable law of the Cayman Islands to be held; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement giving the particulars required under Rule 13.08 of the GEM Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution is set out in the Appendix I to this circular.

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The Company has an aggregate of 1,397,782,400 Shares in issue as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the Issue Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with 279,556,480 new Shares and to repurchase a maximum of 139,778,240 Shares respectively, on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM.

GENERAL EXTENSION MANDATE

In addition, if the Repurchase Mandate and the Issue Mandate are granted, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the Issue Mandate to allot, issue or otherwise deal with new Shares by an amount of Shares representing the total number of Shares purchased or otherwise acquired by the Company pursuant to the mandate granted to the Directors under the Repurchase Mandate.

REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 16 May 2012. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. The existing Scheme Mandate Limit was refreshed at the annual general meeting of the Company held on 29 April 2016, pursuant to which the Directors were authorised to grant options to eligible persons under the Share Option Scheme to subscribe for up to 138,240,000 Shares, representing 10% of the issued share capital of the Company as at 29 April 2016. As at the Latest Practicable Date, a total of 29,030,400 share options were granted of which 15,382,400 share options were exercised, 13,648,000 share options were lapsed and no share option remained outstanding. Apart from the total of 29,030,400 share options, there was no other option granted, exercised, cancelled or lapsed since the date of adoption of the Share Option Scheme and no outstanding share options under the Share Option Scheme as at the Latest Practicable Date. Accordingly, the Company is permitted to grant further options to subscribe for 109,209,600 Shares under the existing Scheme Mandate Limit, being approximately 7.81% of the Shares in issue as at the Latest Practicable Date.

Pursuant to the Share Option Scheme and in compliance with Chapter 23 of the GEM Listing Rules, the maximum number of Shares in respect of which option may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of issued Shares as at the date of approval and adoption of the Share Option Scheme.

The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at general meeting provided that:

- (a) the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit; and

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- (b) options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme(s) of the Group) shall not be counted for the purpose of calculating the limit as refreshed.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The purpose of the Share Option Scheme is to attract and retain quality personnel and other persons to provide incentive to them to contribute to the business and operation of the Group. In view of the limited number of Shares available under the existing Scheme Mandate Limit, the Board proposes to refresh the Scheme Mandate Limit. The Board considers that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole as it provides more flexibility for the Company to provide incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

Subsequent to the refreshment of the existing Scheme Mandate Limit on 29 April 2016, the issued share capital of the Company has increased as a result of an exercise of share options under the Share Option Scheme which took place on 3 August 2016.

As at the Latest Practicable Date, there were 1,397,782,400 Shares in issue. If the Scheme Mandate Limit is refreshed and assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and approval of the Proposed Refreshment at the AGM, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company will be 139,778,240 Shares, being 10% of the Shares in issue as at the Latest Practicable Date. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of AGM, such percentage falls below 30% of the Shares in issue.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Proposed Refreshment at the AGM; and
- (ii) the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be allotted and issued pursuant to the exercise of the options that may be granted under the Scheme Mandate Limit so refreshed.

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Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

The Company proposes to seek the approval by the Shareholders for the Proposed Refreshment with a view to allowing the Company more flexibility to provide higher incentives or rewards to eligible participants for their contribution to the Group. The Directors consider that it will be for the benefit of the Company and the Shareholders as a whole that the eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options. This will motivate the eligible participants to contribute to the success of the Group. For these reasons, the Directors proposes the passing of an ordinary resolution at the AGM for the Proposed Refreshment.

RE-ELECTION OF THE DIRECTORS

Pursuant to Article 84(1) of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 84(2) of the Articles, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with the above provisions of the Articles, Mr. Zhang Qing, Mr. Liu Kam Lung and Mr. Cheung Chi Man Dennis shall retire from office as Directors by rotation at the AGM and, being eligible, have agreed to offer themselves for re-election at the AGM.

Particulars of the above retiring Directors proposed to be re-elected at the AGM as required under Rule 17.46A of the GEM Listing Rules are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Company will convene the AGM at Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 April 2017 at 3:00 p.m. at which, among other things, resolutions will be proposed for the purpose of considering and if thought fit, approving, *inter alia*, the resolutions proposed in this circular. The Notice of AGM is set out on pages 17 to 21 of this circular.

LETTER FROM THE BOARD

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are advised to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, whose office is located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any event not later than 48 hours before the time appointed for the holding of the AGM (or any adjourned meeting thereof, as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof, as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING AT THE AGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll 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. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATION

The Board believes that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the Proposed Refreshment of the Scheme Mandate Limit under the Share Option Scheme and the re-election of retiring Directors are all in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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, 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. As at the date hereof, the Board comprises Mr. Zhang Qing and Dr. Sung Tak Wing Leo as executive Directors, Mr. Ye Jian and Mr. Liu Kam Lung as non-executive Directors and Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Mr. Ko Yin Wai as independent non-executive Directors.

Yours faithfully,
By order of the Board
Megalogic Technology Holdings Limited
Zhang Qing
Chairman

1. SOURCE OF FUNDS

The Company is empowered by the Memorandum and Articles to repurchase its Shares. In accordance with the Cayman Islands law and the Memorandum and Articles, Shares may only be repurchased out of the funds of the Company which are legally available for such purpose or out of the proceeds of a fresh issue of Shares made for the purposes of the repurchase or, subject to a statutory test of solvency, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased or, subject to the statutory test of solvency, out of capital. Under Cayman Islands law, the Shares so repurchased will be treated as cancelled but the total amount of authorised share capital will not be reduced.

2. SHARE CAPITAL

Assuming that no further Shares are issued or repurchased between the period from the Latest Practicable Date and the date of the AGM, exercise in full of the Repurchase Mandate, on the basis of 1,397,782,400 existing Shares in issue as at the Latest Practicable Date, could result in up to 139,778,240 Shares being repurchased by the Company.

As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the shares.

3. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share. As compared with the position disclosed in the audited consolidated financial statements of the Company as at 31 December 2016, the Directors consider that there could be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed purchases period. However, no repurchases would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) has any present intention, in the event that the proposal is approved by Shareholders, to sell their Shares to the Company or its subsidiaries under the Repurchase Mandate. No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present

intention to sell his/her/its Shares to the Company nor has he/she/it undertaken not to sell any of his/her/its Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of the Shares.

5. EFFECT OF THE CODES

A repurchase of Shares by the Company may result in an increase in the proportionate interests of substantial shareholders of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Codes.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholders	Current percentage interest in the issued share capital of the Company	Approximate percentage interest in the issued share capital of the Company in the event the Repurchase Mandate is exercised in full (Note 5)	Number of Shares beneficially held
Champsword Limited ("Champsword") (Note 2)	19.89%(L)	22.10%(L)	278,000,000(L)
Mr. Lau Mo (Note 2)	19.89%(L)	22.10%(L)	278,000,000(L)
Metro Classic Limited ("Metro Classic") (Note 3)	28.67%(L)(S)	31.86%(L)(S)	400,800,000(L)(S)
Mr. Ye Jian (Note 3)	28.67%(L)(S)	31.86%(L)(S)	400,800,000(L)(S)
China Rise Finance Company Limited ("China Rise") (Notes 3 and 4)	28.67%(L)	31.86%(L)	400,800,000(L)
China Rise Finance Group Company Limited ("CRFG") (Note 4)	28.67%(L)	31.86%(L)	400,800,000(L)
Jin Dragon Holdings Limited ("Jin Dragon") (Note 4)	28.67%(L)	31.86%(L)	400,800,000(L)
Essential Holdings Limited ("Essential") (Note 4)	28.67%(L)	31.86%(L)	400,800,000(L)
Cosmo Group Holdings Limited ("Cosmo") (Note 4)	28.67%(L)	31.86%(L)	400,800,000(L)
Symphony Holdings Limited ("Symphony") (Note 4)	28.67%(L)	31.86%(L)	400,800,000(L)

Notes:

1. The letter “L” denotes long positions in the interest in the issued share capital of the Company and the letter “S” denotes short positions in the interest in the issued share capital of the Company.
2. Mr. Lau Mo is the beneficial owner of all of the issued share capital of Champsword, and is therefore deemed to be interested in the 278,000,000 Shares in which Champsword is beneficially interested.
3. Mr. Ye Jian is the beneficial owner of all the issued share capital of Metro Classic, and is therefore deemed to be interested in the 400,800,000 Shares in which Metro Classic is beneficially interested. As per announcement of the Company dated 3 January 2017, Metro Classic has pledged the 400,800,000 Shares in favour of China Rise as security for a term loan facility provided to Metro Classic. China Rise thus has security interest over these shares.
4. China Rise is wholly-owned by CRFG. CRFG is wholly-owned by Jin Dragon which in turn is wholly-owned by Essential. Essential is wholly-owned by Cosmo which in turn is wholly-owned by Symphony. Thus CRFG, Jin Dragon, Essential, Cosmo and Symphony are deemed to be interested in the 400,800,000 Shares in which China Rise has security interest.
5. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, and assuming there is no change to the share capital of the Company and shareholding of the respective Shareholders between the Latest Practicable Date and the date of such exercise.

As at the Latest Practicable Date, Mr. Ye Jian is beneficially interested in 400,800,000 Shares, representing approximately 28.67% of the total number of Shares in issue.

Based on such interests in the Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the AGM, the interests of Mr. Ye Jian will be increased to approximately 31.86% of the total number of Shares in issue. Such increase in the interests of Mr. Ye Jian will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Codes.

The Directors also have no intention to exercise the Repurchase Mandate to such extent that would give rise to an obligation on the Shareholders to make a mandatory offer under Rule 26 of the Codes or result in the amount of Shares held by the public being reduced to less than 25%.

6. SHARE PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Price per Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2016		
March	0.208	0.182
April	0.370	0.200
May	0.405	0.260
June	0.405	0.280
July	0.470	0.360
August	0.550	0.425
September	0.490	0.330
October	0.420	0.365
November	0.420	0.365
December	0.440	0.290
2017		
January	0.435	0.350
February	0.390	0.320
March (up to the Latest Practicable Date)	0.325	0.300

7. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares had been made by the Company during the six (6) months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

8. UNDERTAKING

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) has any present intention to sell their Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected person (as defined in the GEM Listing Rules) that such person has a present intention to sell any Shares, or has undertaken not to sell any Shares, to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and all applicable laws of Cayman Islands.

Set out below are details of the Directors who will retire from office at the conclusion of the AGM and being eligible, will be proposed to be re-elected at the AGM.

MR. ZHANG QING

Mr. Zhang Qing (“**Mr. Zhang**”), aged 47, is an executive director and Chairman of the Board of the Company with effect from 1 July 2014 and was appointed as the compliance officer of the Company with effect from 30 April 2015. He was appointed as an investor relations officer of the Company since 18 March 2014. Mr. Zhang is also a director of the certain subsidiaries of the Company. Mr. Zhang obtained a bachelor’s degree in economics from Guangzhou Institute of Foreign Trade* (廣州對外貿易學院) (currently known as Guangdong University of Foreign Studies (廣東外語外貿大學)) in the People’s Republic of China in July 1991 and further obtained a master’s degree in business administration from San Diego State University in the United States in December 1998. From July 1991 to July 1996, he worked as the foreign sales staff of China National Light Industrial Products Import & Export Corporation*. From February 2000 to November 2003, Mr. Zhang worked as the manager of investment department of Sichuan Harmony Enterprises (Group) Limited*. From July 2006 to February 2013, he worked as the investment manager of Canada Shenghe Investment Inc. Besides, Mr. Zhang acted as the director of Sichuan Harmony Enterprises (Group) Limited* during the period from 8 March 2011 to 12 September 2013. Mr. Zhang is a brother-in-law of Mr. Lau Mo, a substantial shareholder of the Company (as defined in the GEM Listing Rules).

Save as disclosed above, Mr. Zhang does not hold any other major appointments and professional qualifications and has not held any directorship in any listed public companies in the securities of which are listed Hong Kong or overseas in the last three years preceding the Latest Practicable Date. As at the Latest Practicable Date, Mr. Zhang does not hold any other position with the Company or any of its subsidiaries and he does not have any relationships with any Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the GEM Listing Rules) of the Company save as otherwise disclosed herein. As at the Latest Practicable Date, Mr. Zhang is interested in 4,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Zhang has entered into a service contract with the Company with a fixed term of services for one year. He is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles. He is entitled to a Director’s remuneration of HK\$1,950,000 per annum. The Director’s remuneration is covered by his service contract and determined by the Board with reference to his relevant experience, responsibilities, workload, the time devoted to the Company and remuneration package for position with similar capacity and responsibilities in the market.

Save as disclosed above, there are no other matters concerning Mr. Zhang’s re-election as an executive Director of the Company that need to be brought to the attention to the shareholders of the Company nor is there any other information which is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

MR. LIU KAM LUNG

Mr. Liu Kam Lung (“**Mr. Liu**”), aged 53, previously an executive director of the Company, was re-designated as a non-executive director of the Company on 16 October 2014. Mr. Liu obtained a Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. Mr. Liu was admitted as an associate of The Institute of Chartered Secretaries and Administrators of the United Kingdom, an associate of The Hong Kong Institute of Chartered Secretaries, an associate of Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants, a full member of the Society of Registered Financial Planners and an associate of the Taxation Institute of Hong Kong in 1993, 1994, 1995, 1999, 2009 and 2010 respectively. Mr. Liu has over 25 years of experience in the financial industry. Mr. Liu was ceased from office as the chief financial officer of Symphony Holdings Limited (stock code: 1223.HK) with effect from 1 June 2016 and is currently the chief executive officer of China Rise Finance Group Company Limited, a subsidiary of Symphony Holdings Limited. Mr. Liu is also the independent non-executive director of Pak Tak International Limited (stock code: 2668.HK) and the independent non-executive director of Enterprise Development Holdings Limited (stock code: 1808.HK). Mr. Liu was a non-executive director of Kith Holdings Limited (stock code: 1201.HK) for the period from October 2010 to June 2013. In addition, from March 2011 to October 2014, Mr. Liu was an executive Director, finance director, company secretary and authorised representative of the Company.

Save as disclosed above, Mr. Liu does not hold any other major appointments and professional qualifications and has not held any directorship in any listed public companies in the securities of which are listed Hong Kong or overseas in the last three years preceding the Latest Practicable Date. As at the Latest Practicable Date, Mr. Liu does not hold any other position with the Company or any of its subsidiaries and he does not have any relationships with any Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the GEM Listing Rules) of the Company save as otherwise disclosed herein. As at the Latest Practicable Date, Mr. Liu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Liu has entered into a letter of appointment with the Company with an initial term of one year commencing from 16 October 2014. His term of office is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. He is entitled to a Director’s fee of HK\$132,000 per annum, which is determined by reference to his duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Liu’s re-election as a non-executive Director of the Company that need to be brought to the attention to the shareholders of the Company nor is there any other information which is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

MR. CHEUNG CHI MAN DENNIS

Mr. Cheung Chi Man Dennis (“**Mr. Cheung**”), aged 49, was appointed as an independent non-executive director of the Company on 30 April 2015. He is currently a financial controller and company secretary of Swift Express Holding Limited (順昌快達控股有限公司). He was a former independent non-executive director (from November 2005 to October 2008), executive director (from October 2008 to December 2013), chief financial officer (from October 2008 to December 2013) and company secretary (from October 2008 to September 2014) of Peace Map Holding Limited (formerly known as Ming Hing Waterworks Holdings Limited) (stock code: 0402.HK), a company listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of Powerwell Pacific Holdings Limited (stock code: 8265.HK) from September 2010 to September 2014, a company listed on the GEM. Prior to taking up the above-mentioned post of the Company, he was the chief finance officer of the China division of Midland Holdings Limited (stock code: 1200.HK) from November 2004 to November 2008, a company listed on the Main Board of the Stock Exchange. Mr. Cheung was a director of XACT INTEGRATED MARKETING LIMITED, a private company incorporated in Hong Kong, which was dissolved by deregistration pursuant to section 291AA of the then prevailing Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on 7 September 2007. To the best of the knowledge and belief of Mr. Cheung, XACT INTEGRATED MARKETING LIMITED was principally engaged in commercial advertising and had ceased business and was solvent at the time of it being dissolved by deregistration. Mr. Cheung has over 22 years of experience in accounting and financial management. He obtained a master’s degree in commerce from the University of New South Wales, Australia in April 1993 and a bachelor’s degree in mechanical engineering from the University of London, United Kingdom in August 1990. Mr. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of The Taxation Institute of Hong Kong.

Save as disclosed above, Mr. Cheung does not hold any other major appointments and professional qualifications and has not held any directorship in any listed public companies in the securities of which are listed Hong Kong or overseas in the last three years preceding the Latest Practicable Date. As at the Latest Practicable Date, Mr. Cheung does not hold any other position with the Company or any of its subsidiaries and he does not have any relationships with any Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the GEM Listing Rules) of the Company save as otherwise disclosed herein. As at the Latest Practicable Date, Mr. Cheung does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Cheung has entered into a letter of appointment with the Company with an initial term of one year commencing from 30 April 2015. His term of office is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. He is entitled to a Director’s fee of HK\$168,000 per annum, which is determined by reference to his duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Cheung’s re-election as an independent non-executive Director of the Company that need to be brought to the attention to the shareholders of the Company nor is there any other information which is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

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MEGALOGIC TECHNOLOGY HOLDINGS LIMITED

宏創高科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8242)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Megalogic Technology Holdings Limited (the “**Company**”) will be held at Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 April 2017 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of directors of the Company (the “**Directors**”) and the independent auditors of the Company for the year ended 31 December 2016;
2. To re-elect Mr. Zhang Qing as an executive Director;
3. To re-elect Mr. Liu Kam Lung as a non-executive Director;
4. To re-elect Mr. Cheung Chi Man Dennis as an independent non-executive Director;
5. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration; and
6. To re-appoint JH CPA Alliance Limited as the auditors of the Company and to authorise the Board to fix the auditors’ remuneration.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following resolutions (with or without amendments) as ordinary resolutions:

7. “**THAT:**
 - (a) subject to paragraph (c) below, 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 new shares, in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**GEM Listing Rules**”) be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the end of the Relevant Period (as defined below);
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the subscription rights attaching to any warrants which may be issued by the Company; (iii) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company from time to time; shall not exceed 20% of the total number of the existing issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (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 other applicable law of the Cayman Islands to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in a general meeting of the Company.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the Directors to holders of shares on the register of members of the Company 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 legal

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restrictions under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

8. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or repurchase shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company on the Stock Exchange or on any other stock exchange on which the shares or securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue at the date of the passing of 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 earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
 - (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 other applicable law of the Cayman Islands to be held; and
 - (iii) the date upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in a general meeting of the Company.
9. **“THAT** conditional upon resolutions 7 and 8 above being passed (with or without amendments), the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in resolution 7 above be and is hereby extended by the addition thereto an amount of shares representing the total number of shares of the Company purchased

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or otherwise acquired by the Company pursuant to the authority granted to the Directors under resolution 8 above, provided that such amount shall not exceed 10% of the total number of existing issued shares of the Company as at the date of the passing of this resolution.”

10. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 16 May 2012 (the “**Share Option Scheme**”), representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed:
- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (the “**Scheme Mandate Limit**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit) (the “**Refreshed Scheme Mandate Limit**”); and
 - (b) the Directors be and are hereby authorized to grant options under the Share Option Scheme up to the Refreshed Scheme Mandate Limit, to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the Board
Megalogic Technology Holdings Limited
Zhang Qing
Chairman

Hong Kong, 30 March 2017

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Notes:

1. A member of the Company entitled to attend and vote at the AGM may appoint one proxy or (if he/she/it is a holder of two or more shares of the Company) more than one proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and voting in person should he so wish. In such event, his/her/its form of proxy will be deemed to have been revoked.
2. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time for holding the AGM or any adjournment thereof (as the case may be).
3. With regard to resolutions 7 to 9 set out in this notice, the Directors wish to state that they have no immediate plans to issue any new shares or repurchase any shares of the Company pursuant to the general mandate referred to thereunder.
4. A circular containing, *inter alia*, details of the proposed general mandate to issue shares of the Company, information of the retiring Directors who are proposed to be re-elected or elected at the AGM and the proposed refreshment of Scheme Mandate Limit of the Share Option Scheme of the Company will be dispatched to the shareholders of the Company.
5. Shareholders of the Company or their proxies shall produce documents of their proof of identity when attending the AGM.
6. As at the date of this notice, the Board comprises Mr. Zhang Qing and Dr. Sung Tak Wing Leo as executive Directors, Mr. Ye Jian and Mr. Liu Kam Lung as non-executive Directors and Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Mr. Ko Yin Wai as independent non-executive Directors.
7. Where there are joint registered holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the AGM 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 shall alone be entitled to vote in respect thereof.
8. To qualify for the attendance at the AGM, shareholders must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 27 April 2017.
9. This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of the Stock Exchange 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 the information contained in this notice 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 notice misleading.
10. This notice will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of 7 days from the date of its publication and on the website of the Company at www.megalogic.com.hk.