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**If you have sold or transferred** all your shares in Champion Technology Holdings Limited you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, 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.



## **CHAMPION TECHNOLOGY HOLDINGS LIMITED**

*(Continued in Bermuda with limited liability)*

**(Stock Code: 92)**

*Directors:*

Paul Kan Man Lok (*Chairman*)  
Leo Kan Kin Leung (*Chief Executive Officer*)  
Lai Yat Kwong  
Shirley Ha Suk Ling\*  
Terry John Miller\*\*  
Frank Bleackley\*\*  
Lee Chi Wah\*\*

*Principal Office:*

3rd Floor  
Kantone Centre  
1 Ning Foo Street  
Chaiwan  
Hong Kong

\* *Non-executive director*

\*\* *Independent non-executive directors*

29 October 2014

*To the shareholders*

Dear Sir or Madam,

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND  
AMENDMENT OF BYE-LAWS  
NOTICE OF ANNUAL GENERAL MEETING AND  
RE-ELECTION OF DIRECTORS**

### **INTRODUCTION**

At the annual general meeting of Champion Technology Holdings Limited (the "Company") for the year ended 30 June 2014, resolutions will be proposed to grant to the

directors of the Company (the “Directors”) general mandates to issue and repurchase shares of the Company and to amend the Bye-laws of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 30 June 2014 (the “AGM”). In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares, together with particulars of the directors proposed to be re-elected at the AGM.

## **GENERAL MANDATE TO ISSUE SHARES**

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the Directors to allot, issue and dispose of shares of the Company not exceeding 20% of the issued share capital of the Company on the date of the resolution to provide flexibility to the Company to raise fund by issue of shares efficiently. On 24 October 2014 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 6,331,788,651 shares of HK\$0.10 each of the Company (“Shares”). On the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 1,266,357,730 Shares being issued by the Company. The mandate allows the Company to allot, issue and dispose of shares during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

## **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in accordance with the Listing Rules. Based on 6,331,788,651 Shares in issue as at the Latest Practicable Date and on the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 633,178,865 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 30 June 2014 (being the date of its latest audited accounts), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Memorandum of Association and Bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company.

The Directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

#### **Directors, their close associates and core connected persons**

None of the directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

#### **Undertaking of the directors**

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

## **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder 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 Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Lawnside International Limited (“Lawnside”), who held approximately 27.90% of the issued share capital of the Company, was the only substantial shareholder holding more than 10% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Lawnside in the Company would be increased to approximately 31.01% of the issued share capital of the Company and such increase would give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code. The Company has no present intention to exercise the repurchase mandate to the extent that such obligation of Lawnside will be triggered.

## **Stock Exchange Rules for repurchases of shares**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

*(a) Shareholders’ approval*

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

*(b) Source of funds*

Repurchases must be funded out of funds legally available for the purpose.

## **General**

During each of the six months preceding the date of this circular, no Share had been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2013</b>		
October	0.177	0.132
November	0.165	0.149
December	0.161	0.135
<b>2014</b>		
January	0.221	0.135
February	0.265	0.198
March	0.265	0.190
April	0.219	0.175
May	0.202	0.168
June	0.191	0.170
July	0.199	0.171
August	0.214	0.188
September	0.232	0.176
October (up to the Latest Practicable Date)	0.184	0.169

#### **AMENDMENT OF BYE-LAWS**

It is proposed to amend the Company's Bye-laws in order to comply with the new requirements of Appendix 3 of the Listing Rules as follows:

- in Bye-law 1 (i) the interpretation of "associate" be deleted; and (ii) the following interpretation be added after the interpretation of "clearing house":
 

"close associate"	the meaning attributed to it in the rules of the Designated Stock Exchange except where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the rules of the Designated Stock Exchange, it shall have the same meaning as ascribed to "associate" in the rules of the Designated Stock Exchange
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- the words "associate(s)" and "an associate" wherever they may appear in Bye-law 103(3) be changed to "close associate(s)" and "a close associate" respectively.

The effects of the proposed amendment of the Company's Bye-laws are to disallow a director to vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest or be counted in the quorum present at the meeting.

A full versions of the Bye-laws of the Company is available on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.championtechnology.com>.

## **ANNUAL GENERAL MEETING**

You will find on pages 10 to 12 of this circular a notice of the AGM to be held at 9:05 a.m. on 28 November 2014 at 3rd Floor, Kantone Centre, 1 Ning Foo Street, Chaiwan, Hong Kong. Voting at the AGM will be taken by poll.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20% of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as an ordinary resolution to give a general mandate to the Directors to make on-market purchases of shares of the Company of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4C will be proposed as an ordinary resolution to extend resolution no. 4A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to resolution no. 4B.

Resolution no. 4D will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

## RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Professor Paul KAN Man Lok, Mr. Frank BLEACKLEY and Mr. LEE Chi Wah as directors according to the Company's Bye-laws. Their particulars are as follows:

**Professor Paul KAN Man Lok**, CBE, GCM, Comm OSSI, Chevalier de la Légion d'Honneur, SBS, JP ("Professor Kan"), 67, is the founder and Chairman. He is also the Chairman and an executive director of Kantone Holdings Limited ("Kantone") a subsidiary of the Company whose shares are listed on the Main Board of the Stock Exchange. Professor Kan was the Chairman and an executive director of DIGITALHONGKONG.COM (whose shares are listed on the Growth Enterprise Market of the Stock Exchange) from January 2000 to 16 October 2014. He, Mr. Leo Kan Kin Leung, an executive director of the Company, and Mr. Francis Kan, a member of the senior management of the Company and its subsidiaries (the "Group") are brothers. He has over 40 years of experience in the computing and telecommunications industries. Prior to setting up the Group in 1987, he was the general manager in charge of Asiadata Limited, a computing services subsidiary of Cable & Wireless PLC.

Professor Kan has received a number of prestigious awards from several governments and various local and international professional bodies in recognition of his contribution to the community and the industry. Government awards include Commander of the most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II (2006); Commendatore dell'Ordine della Stella della Solidarietà Italiana by the Italian Prime Minister Hon. Romano Prodi (2006); the Hong Kong SAR Government's appointment as a Justice of the Peace (2006); Chevalier de l'Ordre de la Légion d'Honneur by the Government of France (2007); Silver Bauhinia Star by the Hong Kong SAR Government (2009); and FUECH Grand Cross of Merit for Outstanding Consular Work by the Federation of European Associations of Honorary Consuls (FUECH) (2013). In July 2013, he was appointed Ambassador Extraordinary and Plenipotentiary of Hungary.

Professional awards include Governor's Award for Hong Kong Industries (1989); Young Industrialist Award (1992); and Hong Kong Business Award-Enterprise Trophy (1993). He holds a Master's degree in Business Administration from the Chinese University of Hong Kong. He also received academic awards which include Honorary Fellow of the Academy of Chinese Studies (2005); and Honorary Professor of Szent István University in Budapest, Hungary (2011).

In civic duties, Professor Kan is currently the Honorary President and former Chairman (2001–2011) of the Hong Kong Information Technology Industry Council, and Chairman of Hong Kong IT Alliance (1999–present). He is a member of the Council of The Chinese University of Hong Kong, and the Election Committee for the Hong Kong representatives of National People's Congress of China for three terms from 2002 to 2017. He was a member of HKSAR Chief Executive Election Committee for the IT sector for three consecutive terms from 1996 to 2012. He also served twice on the Stock Exchange's Corporate Governance Working Group during 1994–1995 and 1999–2000, and was a member of the Listing Committee of the Stock Exchange for the period 1999–2003. He was the Chairman of the Hong Kong Trade Development Council

Information and Communications Technology Services Advisory Committee from 2006 to 2010 and ICT Working Group, Hong Kong — United Kingdom Business Partnership from 2004 to 2007. He had also served as a member of the Hong Kong Trade Development Council Electronics/Electrical Appliances Industry Advisory Committee for 10 years from 1997 to 2006.

Professor Kan had been an independent non-executive director of CLP Holdings Limited for about 9 years from 2001 until he retired in 2010 to take up the additional responsibility as Honorary Consul of Hungary in Hong Kong and Macao from 2011 to 2013.

**Frank BLEACKLEY** (“Mr. Bleackley”), 77, has been an independent non-executive director of the Company since November 2001. He is also an independent non-executive director of Kantone, a subsidiary of the Company. He was formerly the Managing Director of Chubb China Holdings Limited, a subsidiary of the former Chubb Security Group, a manufacturer and distributor of security and safety products and systems headquartered in the United Kingdom. He has considerable experience in the management and business development of joint venture companies in East Asia.

**LEE Chi Wah** (“Mr. Lee”), 57, has been an independent non-executive director of the Company since July 2009. He is currently the Chief Technology Officer of a consultancy firm and has over 32 years’ professional experience with several international IT&T organisations for major roles in the areas of technical project development, customer services and sales management, including serving the Group from 1988 to 1994 with his last position as Vice President, Technology and Chief Technical Officer. He holds a Master’s degree in Business Administration from the University of Western Sydney in Australia and a Bachelor of Science honours degree in Electronic Engineering from the Chinese University of Hong Kong. From November 1995 to March 2012, he was a Chartered Professional Engineer — IT & E (MIEAust CPEng) and Chartered National Professional Engineers Register (NPER) of The Institution of Engineers, Australia.

Professor Kan does not have any service contract with the Company. He is not appointed for a specific term but is subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company. Professor Kan was paid HK\$6,450,000 as remunerations for the year ended 30 June 2014. Such remunerations are determined with reference to the Company’s operating results and individual experience and contribution to the Group.

Each of Mr. Bleackley and Mr. Lee has a service contract with the Company commencing from 2 December 2011 and ending on the date of the AGM. Each of them will, if re-elected as a director of the Company, enter into another service contract with the Company for a term commencing from the date of the AGM and ending on the date on which the director shall retire by rotation next time at an annual general meeting of the Company in accordance with the Bye-laws of the Company. Under their respective service contracts, each of Mr. Bleackley and Mr. Lee is paid a director’s fee of HK\$50,000 per annum and a remuneration of HK\$50,000 per annum for acting as a member of various committees of the Company. The emoluments payable to them are determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong and their contribution to the Company.

Mr. Bleackley served as an independent non-executive director of the Company for more than 9 years. The Directors believes that he is still independent as he complies with Rule 3.13 of the Listing Rules and has acted independently in the discharge of his duties to the Company and should be re-elected.

As at the Latest Practicable Date, the interests of the abovenamed directors in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance were as follows:

- (a) Professor Kan was interested in 1,766,860,957 Shares held by Lawnside; and
- (b) Mr. Bleackley and Mr. Lee had no interest in Shares.

Save as disclosed above, the abovenamed directors confirm:

- (a) they did not have any directorship in other listed public companies in the last three year;
- (b) they do not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company; and
- (c) there is no information relating to their re-election required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters that need to be brought to the attention of shareholders of the Company.

## **RECOMMENDATION**

The Directors consider that the above proposals are in the interest of the Company and the shareholders as a whole and so recommend you to vote in favour of the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

Yours faithfully,  
By order of the Board  
**Paul Kan Man Lok**  
*Chairman*

# NOTICE OF ANNUAL GENERAL MEETING



## CHAMPION TECHNOLOGY HOLDINGS LIMITED

*(Continued in Bermuda with limited liability)*

**(Stock Code: 92)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the abovenamed company (the “Company”) will be held at 9:05 a.m. on 28 November 2014 at 3rd Floor, Kantone Centre, 1 Ning Foo Street, Chaiwan, Hong Kong, for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and independent auditor for the year ended 30 June 2014.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditor and to authorise the board of directors to fix its remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 4A, 4B and 4C will be proposed as ordinary resolutions and resolution no. 4D will be proposed as a special resolution:

#### ORDINARY RESOLUTIONS

- A. **“THAT:**
- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme 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 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 earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares 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 exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

**B. “THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and

(c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

#### **SPECIAL RESOLUTION**

D. “**THAT** the existing Bye-laws of the Company be and are hereby amended in the manner set out in the section headed “Amendment of Bye-laws” in the circular of the Company dated 29 October 2014 (a copy of which section has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification).”

By Order of the Board  
**Jennifer Cheung Mei Ha**  
*Company Secretary*

Hong Kong, 29 October 2014

*Principal Office:*

3rd Floor  
Kantone Centre  
1 Ning Foo Street  
Chaiwan  
Hong Kong

*Note:* A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.