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



JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED
錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

The notice convening the extraordinary general meeting of the Company to be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, 11 June 2015 at 2:30 p.m. is set out on pages 7 to 8 of this circular.

A form of proxy for use at the extraordinary general meeting is enclosed with this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

26 May 2015

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Jinheng Automotive Safety Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong, 11 June 2015 to consider and, if thought fit, approve, among other things, the proposed Refreshment of Scheme Mandate Limit
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 May 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) granted under the Share Option Scheme
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Refreshment of Scheme Mandate Limit”	the proposed scheme refreshment of the Scheme Mandate Limit under the Share Option Scheme at the EGM

DEFINITIONS

“Scheme Mandate Limit”	the total number of Shares which may be allotted and issued upon exercise of all options to be granted by the Board under the Share Option Scheme and any other share option scheme(s) of the Company to subscribe up to 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, the total number of Shares which may be allotted and issued upon exercise of all options to be granted shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 19 June 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In the event of any inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

LETTER FROM THE BOARD



JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED 錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

Board of Directors

Executive Directors

Mr. Li Feng (*Chairman*)
Mr. Xing Zhanwu (*Chief Executive Officer*)
Ms. Ng Sau Lin
Mr. Wong Ka Ching
Mr. Lam Wai Hung

Non-executive Director

Mr. Tsang Ling Bui, Gilbert

Independent non-executive Directors

Mr. Hui Hung Kwan
Mr. Wong Yuk Lun, Alan
Mr. Lim Chi Kit

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business in the PRC*

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Development Area
Beijing, PRC

*Principal place of business
in Hong Kong*

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Wings Building
110-116 Queen's Road Central
Central, Hong Kong

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

26 May 2015

To the Shareholders

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with: (i) details of the Refreshment of Scheme Mandate Limit; and (ii) the notice of EGM at which resolutions will be proposed to consider and, if thought fit, to approve the Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company pursuant to an ordinary resolution passed in the annual general meeting of the Company on 19 June 2009. The Scheme Mandate Limit was 10% of the Shares in issue as at the date of adoption of the Share Option Scheme in compliance with the Listing Rules. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force as at the Latest Practicable Date.

As at the date of the adoption of the Share Option Scheme, the total number of Shares in issue was 443,500,000 Shares, representing 10% of the issued share capital of the Company as at 19 June 2009. Pursuant to the terms of the Share Option Scheme and in compliance with the Listing Rules, the Company was authorised to grant Options to subscribe for up to a maximum number of 44,350,000 Shares. On 28 January 2015, 44,000,000 Options were granted under the Scheme Mandate Limit, representing approximately 5.97% of the issued share capital of the Company as at the Latest Practicable Date, and the total 44,000,000 Options were remaining outstanding as at the Latest Practicable Date. As the Scheme Mandate Limit was not refreshed since its adoption, there were only 350,000 Options available to be granted.

As at the Latest Practicable Date, the Company has 736,820,888 Shares currently in issue. Unless the Scheme Mandate Limit is refreshed, only up to 350,000 Shares may be issued pursuant to the grant of Options under the Share Option Scheme, representing only approximately 0.05% of the issued share capital of the Company as at the Latest Practicable Date.

Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 73,682,088 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the Refreshment of Scheme Mandate Limit by the Shareholders at the EGM, which do not include options that are outstanding, cancelled or lapsed as at the date of the EGM. Save as disclosed in this circular, there are no outstanding options granted under the Share Option Scheme or any other scheme(s) of the Company which remain unexercised, as at the Latest Practicable Date.

Pursuant to the 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 or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

LETTER FROM THE BOARD

The Refreshment of Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the Refreshment of Scheme Mandate Limit by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the EGM approving the Refreshment of Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of Options granted under the refreshed Scheme Mandate Limit.

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

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to provide the Company with the flexibility of granting further Options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees which the Board considers to be in the interests of the Company and the Shareholders as a whole. The Board therefore seeks the approval of the Shareholders at the EGM to refresh the Scheme Mandate Limit.

EGM

The notice convening the EGM to be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, 11 June 2015 at 2:30 p.m. is set out on pages 7 to 8 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the resolution proposed in relation to the Refreshment of Scheme Mandate Limit in this circular is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of such resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief that the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

On behalf of the Board of

Jinheng Automotive Safety Technology Holdings Limited

Li Feng

Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED 錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of the shareholders of Jinheng Automotive Safety Technology Holdings Limited (the “Company”) will be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, 11 June 2015 at 2:30 p.m. for the following ordinary resolution:

ORDINARY RESOLUTION

“THAT subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the additional shares of HK\$0.01 each in the capital of the Company (the “Shares”) to be issued pursuant to the exercise of options which may be granted under the Refreshed Limit (as defined below) of the share option scheme adopted by the Company on 19 June 2009 (the “Share Option Scheme”), the refreshment of the general limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme be and is hereby approved provided that:

- (a) the total number of Shares 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 Shares in issue as at the date of passing this resolution (the “Refreshed Limit”);
- (b) options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the Refreshed Limit;
- (c) the Directors be and are hereby unconditionally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) such increase in the Refreshed Limit shall in no event result in the number of 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 schemes of the Company exceed 30% of the Shares in issue from time to time.”

By Order of the Board
Jinheng Automotive Safety Technology Holdings Limited
Li Feng
Chairman

Hong Kong, 26 May 2015

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the EGM (or any adjournment thereof).
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holders may vote either in person or by proxy in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

As at the date of this notice, the Board comprises 5 executive Directors, namely Messrs. Li Feng, Xing Zhanwu, Ng Sau Lin, Wong Ka Ching and Lam Wai Hung; 1 non-executive Director, namely Mr. Tsang Ling Bui, Gilbert and 3 independent non-executive Directors, namely Messrs. Hui Hung Kwan, Wong Yuk Lun, Alan and Lim Chi Kit.