
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CircuTech International Holdings Limited **訊智海國際控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8051)

CONTINUING CONNECTED TRANSACTION IN RELATION TO SERVICE FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



All capitalised terms used in this circular shall have the meanings set out in the section headed “Definitions” from pages 1 to 4 of this circular.

A letter from the Board is set out from pages 5 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 14 and 15 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 26 of this circular.

A notice convening the EGM to be held at 15M, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, Hong Kong on Tuesday, 3 March 2020 at 10:00 a.m. or any adjournment thereof is set out from pages 31 to 33 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible by 10:00 a.m. on Sunday, 1 March 2020 or not less than 48 hours before the time appointed for the holding of the adjourned EGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.circutech.com for at least seven days from the date of its posting.

12 February 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	14
Letter from Gram Capital	16
Appendix – General Information	27
Notice of EGM	31

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Company”	CircuTech International Holdings Limited (stock code: 8051), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“Effective Date	the date on which the Service Framework Agreement becoming effective
“EGM”	the extraordinary general meeting of the Company to be convened and held at 15M, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, Hong Kong on Tuesday, 3 March 2020 at 10:00 a.m. to consider, and if thought fit, to approve the Service Transaction and the Service Caps, the notice of which is set out on pages 31 to 33 of this circular
“Foxconn”	Foxconn (Far East) Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Hon Hai, and the controlling shareholder of the Company holding approximately 50.58% of the issued Shares as at the Latest Practicable Date

DEFINITIONS

“Fuhongjie”	深圳市富鴻杰科技服務有限公司 (Shenzhen Fuhongjie Technology Service Limited Company*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Hon Hai
“FY”	the financial year ended or ending 31 December
“GEM”	GEM 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
“Hon Hai”	Hon Hai Precision Industry Co., Ltd. (鴻海精密工業股份有限公司), a company incorporated in Taiwan with limited liability and the shares of which are listed on the Taiwan Stock Exchange Corporation, and a controlling shareholder of the Company
“Hon Hai Group”	Hon Hai, its subsidiaries and associates (excluding the Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders on the Service Transaction
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Service Transaction and the Service Caps

DEFINITIONS

“Independent Shareholders”	Shareholders who are not interested in the Service Transaction and other than those who are required to abstain from voting at the EGM in accordance with the GEM Listing Rules and the applicable laws
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons
“Latest Practicable Date”	6 February 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“percentage ratios”	has the meaning ascribed to it under Rule 19.07 of the GEM Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	maintenance and value-added services for mobile phone, mobile phone display, and Bluetooth earpieces, including checking, maintenance, assembly, testing and packaging
“Service Framework Agreement”	the service framework agreement entered into between the Company and Fuhongjie on 14 January 2020 in respect of the Service Transaction for the Service Term
“Service Cap(s)”	the proposed annual cap(s) in respect of the Service Transaction
“Service Term”	from the Effective Date to 31 December 2022
“Service Transaction”	the provision of the Services by Fuhongjie to the Group contemplated under the Service Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company

DEFINITIONS

“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage or per centum

In the event of any discrepancies between the English version and the Chinese version, the English version shall prevail.

LETTER FROM THE BOARD



CircuTech International Holdings Limited

訊智海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8051)

Executive Directors:

Mr. Hong Sung-Tai (*Chairman*)

Mr. Tsai Biing-Hann

Ms. Chen Ching-Hsuan

Mr. Han Chun-Wei

Non-executive Director:

Mr. Kao Chao Yang

Independent non-executive Directors:

Mr. Yeung Wai Hung Peter

Mr. Li Robin Kit Ling

Mr. Miao Benny Hua-ben

Registered office:

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Principal place of business

in Hong Kong:

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay, Hong Kong

12 February 2020

To the Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO SERVICE FRAMEWORK AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 14 January 2020 regarding the Service Transaction.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) further details of the Service Transaction (including the Service Framework Agreement and the Service Caps); (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from Gram Capital; and (iv) the notice of the EGM.

SERVICE FRAMEWORK AGREEMENT

After trading hours of the Stock Exchange on 14 January 2020, the Company entered into the Service Framework Agreement with Fuhongjie (an indirect wholly-owned subsidiary of Hon Hai), pursuant to which, subject to the fulfilment of the condition precedent to the Service Framework Agreement, Fuhongjie agreed to provide the Services to the Group during the Service Term from the Effective Date to 31 December 2022.

The principal terms of the Service Framework Agreement are summarised as follows:

Date

14 January 2020

Parties

- (1) The Company; and
- (2) Shenzhen Fuhongjie Technology Service Limited Company, being an indirect wholly-owned subsidiary of Hon Hai.

Term

From the Effective Date to 31 December 2022 (i.e. the Service Term).

Subject matter

Fuhongjie agreed to provide the Services to the Group during the Service Term. The Company may place orders with Fuhongjie for the Services.

LETTER FROM THE BOARD

Condition precedent

The Service Framework Agreement is conditional upon the Independent Shareholders approving the Service Framework Agreement, the Service Transaction and the Service Caps at the EGM and shall take effect on the date on which the abovementioned condition is satisfied. If the approval is not granted on or before 31 March 2020 (or such later date as may be set by mutual agreement between the Company and Fuhongjie), the Service Framework Agreement will lapse automatically.

Pricing basis

The service fee to be paid by the Company to Fuhongjie will be subject to arm's length negotiations between the Company and Fuhongjie; and shall not be higher than the service fee offered by Independent Third Parties.

INTERNAL CONTROL

When determining the service fee, the Company's finance department will review the market price and invite at least 3 sub-contractors (including at least 2 reliable Independent Third Party sub-contractors in the industry and Fuhongjie) for quotation on a quarterly basis.

The Company's finance department will compare the quotations provided by sub-contractors based on their fee amount, terms and conditions.

The quotations comparison will be reviewed by the Board. After review, the Board will select the sub-contractor (in general, the Board will select the lowest service fee offered under similar terms and conditions) and further negotiate (for discount)/accept the service fee under its quotation.

The negotiated/accepted service fee will be applied for the coming quarter after selection of sub-contractor.

The aforesaid procedures will be conducted quarterly to ensure that the Company can obtain optimal pricing.

The Company will procure the Services from sub-contractor only if the Company considers that it is profitable to do so (taking into account the fee charged to the Company's customer and the fee charged by sub-contractor).

LETTER FROM THE BOARD

The Company's finance department will also review the Service Transaction on a quarterly basis to ensure that it is conducted in compliance with the terms of the Service Framework Agreement and the amount of Service Transaction does not exceed the Service Caps.

The independent non-executive Directors will review the Service Transaction annually and confirm in the Company's annual report whether the Service Transaction has been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the Service Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Having reviewed the Service Framework Agreement and the Company's internal control, the independent non-executive Directors are of the view that: (i) the pricing basis and the terms of the Service Transaction are clear and specific; (ii) the annual Service Caps are reasonable taking into account the basis for determining the Service Caps; (iii) the methods and procedures established by the Company are sufficient to ensure that the Service Transaction will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders; (iv) appropriate internal control procedures are in place, with the Company's finance department reviewing the Service Transaction on a quarterly basis to ensure that it is conducted in compliance with the terms of the Service Framework Agreement and the amount of Service Transaction does not exceed the Service Caps; and (v) they have been provided by the management of the Company with sufficient information for the discharge of their duties as independent non-executive Directors regarding the Service Transaction.

The Company's auditors will also provide a letter to the Board annually confirming whether anything has come to their attention that causes them to believe that the Service Transaction: (i) has not been approved by the Board; (ii) was not entered into, in all material respects, in accordance with the Service Framework Agreement; and (iii) has exceeded the Service Caps.

Given that the service fee to be paid by the Company to Fuhongjie shall not be higher than the service fee offered by Independent Third Parties and having considered the internal control procedure above which can ensure compliance of such pricing basis, the Board considers that the pricing basis under the Service Framework Agreement to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SERVICE CAPS

The Service Caps for the period from the Effective Date to 31 December 2022 are set out below:

	From the Effective Date to 31 December 2020 HK\$	For FY2021 HK\$	For FY2022 HK\$
Service Caps	55,000,000	61,000,000	67,000,000

Note: There was no previous Service Transaction between the Group and Fuhongjie.

Set out below is the basis for determining the Service Caps:

- (i) The Company obtained order indication for FY2020 (in terms of maintenance units) from potential customer who requires the Services.

At the initial stage of this extended business of providing the Services to the Company's customer (as further elaborated below under the section headed "Reasons for the Service Transaction" of this circular), the Group will engage sub-contractors to provide the Services. As aforementioned, the Board will select, on a quarterly basis, the sub-contractor with lowest service fee offered under similar terms and conditions.

Accordingly, the Company estimated its demand for the Services to be provided by Fuhongjie (as a sub-contractor) for FY2020 based on the aforesaid order indication (in terms of maintenance units) from potential customer.

- (ii) The Company estimated the service fee per maintenance unit based on the lowest preliminary quotations obtained from various sub-contractors.
- (iii) Based on factors (i) & (ii) above, the Company estimated its demand for the Services (in monetary term) for FY2020 to be approximately HK\$47.68 million (i.e. the product of factors (i) & (ii) above).

LETTER FROM THE BOARD

- (iv) The Company incorporated 5% demand buffer and 10% exchange rate buffer (in light of the recent fluctuation in the exchange rate between RMB and HK\$). Accordingly the Service Cap for FY2020 is required to be approximately HK\$54.83 million and set at HK\$55.00 million after rounding up.
- (v) The Company applied 10% possible growth on its demand for the Services for each of FY2021 and FY2022. Accordingly, the Service Caps for FY2021 and FY2022 are required to be approximately HK\$60.32 million and approximately HK\$66.35 million respectively and set at HK\$61.00 million and HK\$67.00 million respectively after rounding up.

The Shareholders should note that the Service Caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should be taken to have any direct bearing to, the Group's financial or potential financial performance.

REASONS FOR THE SERVICE TRANSACTION

The Group is principally engaged in the sale and distribution of IT products, and the provision of repairs and other service support of IT products.

The Group offers a comprehensive and broad range of video surveillance products carrying its own name and distributes third parties IT products.

The Group provides full range of after-sale maintenance for video surveillance products carrying its own brand name. Smart device applications were also developed by the Group to provide remote control and monitoring of the video surveillance products.

As an extension of the Group's repair and services support segment, the Group is liaising with potential customer for provision of the Services in order to ramp up the Group's repair and services support business portfolio and aim to gain better recurring returns to the Shareholders. At the initial stage of this extended business, the Group will engage sub-contractors to provide the Services. The Group will also consider setting up its own maintenance center after considering relevant cost, expected return and efficiency in providing the Services. The Board considers that the Service Transaction can support the development of the aforesaid extended business.

None of the Directors have material interest in the Service Transaction and accordingly, none was required to abstain from voting on the Board resolution approving the Service Transaction.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

The Group is principally engaged in the sale and distribution of IT products, and the provision of repairs and other service support of IT products.

Fuhongjie is an indirect wholly-owned subsidiary of Hon Hai and principally engaged in manufacturing of IT products.

GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Hon Hai is a controlling shareholder of the Company, indirectly holding 50.58% of the issued Shares. Fuhongjie is an indirect wholly-owned subsidiary of Hon Hai. Accordingly, Fuhongjie is a connected person of the Company and the Service Transaction constitutes continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As all of the applicable percentage ratios in respect of the Service Caps are higher than 5% and the Service Caps are more than HK\$10,000,000 on an annual basis, the Service Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

EGM

The Company will convene the EGM, at which an ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Service Transaction (including the Service Framework Agreement and the Service Caps). The resolution proposed at the EGM will be voted by poll. The voting results of the EGM will be announced in the manner prescribed under Rule 17.47 of the GEM Listing Rules. A notice convening the EGM to be held at 15M, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, Hong Kong on Tuesday, 3 March 2020 at 10:00 a.m. or any adjournment thereof is set out from pages 31 to 33 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible by 10:00 a.m. on Sunday, 1 March 2020 or not less than 48 hours before the time appointed for the holding of the adjourned EGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

LETTER FROM THE BOARD

The register of members of the Company will be closed from Thursday, 27 February 2020 to Tuesday, 3 March 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible for attending and voting at the EGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Ltd., at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 26 February 2020.

As at the Latest Practicable Date, Hon Hai, through its interests in Foxconn, is interested in 11,853,524 Shares, representing approximately 50.58% of the issued share capital of the Company. As Foxconn is a wholly-owned subsidiary of Hon Hai, Foxconn is considered as having a material interest in the Service Transaction. Foxconn will abstain from voting on the resolution to be proposed at the EGM in relation to the Service Transaction (including the Service Framework Agreement and the Service Caps). Save for Foxconn, to the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, no other Shareholder is required to abstain from voting on the resolution to be proposed at the EGM in relation to the Service Transaction (including the Service Framework Agreement and the Service Caps).

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yeung Wai Hung Peter, Mr. Li Robin Kit Ling and Mr. Miao Benny Hua-ben, has been established to advise the Independent Shareholders in relation to the Service Transaction (including the Service Framework Agreement and the Service Caps). Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Service Transaction (including the Service Framework Agreement and the Service Caps).

The Board (excluding the independent non-executive Directors whose views are expressed in the Letter from the Independent Board Committee in this circular) is of the view that the terms of the Service Transaction (including the Service Framework Agreement and the Service Caps) are fair and reasonable and on normal commercial terms, and the Service Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, consistent with the recommendation of the Independent Board Committee and Gram Capital, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Service Transaction and the Service Caps as set out in the notice of EGM enclosed to this circular.

LETTER FROM THE BOARD

GENERAL

Your attention is also drawn to the “Letter from the Independent Board Committee”, the “Letter from Gram Capital” and the additional information set out in the appendix to this circular and the notice of EGM.

By order of the Board
CircuTech International Holdings Limited
Mr. Hong Sung-Tai
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



CircuTech International Holdings Limited

訊智海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8051)

12 February 2020

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION IN RELATION TO SERVICE FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 12 February 2020 (the “**Circular**”) of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider the Service Transaction (including the Service Framework Agreement and the Service Caps) and to advise the Independent Shareholders as to whether the terms of the Service Transaction (including the Service Framework Agreement and the Service Caps) are fair and reasonable and on normal commercial terms, and whether the Service Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Service Transaction (including the Service Framework Agreement and the Service Caps). The text of the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 26 of the Circular. We also wish to draw your attention to the letter from the Board, as set out on pages 5 to 13 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinions of Gram Capital as stated in the aforementioned letter of advice, we are of the opinion that the terms of the Service Transaction (including the Service Framework Agreement and the Service Caps) are fair and reasonable and on normal commercial terms, and the Service Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Service Transaction (including the Service Framework Agreement and the Service Caps).

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Yeung Wai Hung Peter

Independent Non-executive

Director

Mr. Li Robin Kit Ling

Independent Non-executive

Director

Mr. Miao Benny Hua-ben

Independent Non-executive

Director

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Service Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

12 February 2020

*To: The independent board committee and the independent shareholders
of CircuTech International Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Service Transaction, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 12 February 2020 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, after trading hours of the Stock Exchange on 14 January 2020, the Company entered into the Service Framework Agreement with Fuhongjie (an indirect wholly-owned subsidiary of Hon Hai), pursuant to which, subject to the fulfillment of the condition precedent to the Service Framework Agreement, Fuhongjie agreed to provide the Services to the Group during the Service Term from the Effective Date to 31 December 2022.

With reference to the Board Letter, the Service Transaction constitutes continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

LETTER FROM GRAM CAPITAL

The Independent Board Committee comprising Mr. Yeung Wai Hung Peter, Mr. Li Robin Kit Ling and Mr. Miao Benny Hua-ben (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Service Transaction was entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the Service Transaction (including the Service Framework Agreement and the Service Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Service Transaction (including the Service Framework Agreement and the Service Caps) at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Service Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

LETTER FROM GRAM CAPITAL

The 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 the 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 the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Hon Hai, Fuhongjie or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Service Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. If there is any material change before EGM, Shareholders will be notified as soon as possible. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Service Framework Agreement and the Service Transaction, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Service Transaction

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the sale and distribution of IT products, and the provision of repairs and other service support of IT products.

LETTER FROM GRAM CAPITAL

Set out below is a summary of the consolidated financial information on the Group for each of the two years ended 31 December 2018 and the nine months ended 30 September 2019 (with comparative figures of 2018) as extracted from the Company's annual report for the year ended 31 December 2018 (the "**2018 Annual Report**") and the Company's third quarterly report for the nine months ended 30 September 2019 (the "**2019Q3 Report**"):

	For the year ended 31 December 2018 (audited) HK\$'000	For the year ended 31 December 2017 (audited) HK\$'000	Year on year change %
Revenue	299,109	98,966	202.23
– Sales and distribution of IT products	298,728	98,950	201.90
– Repairs and service support	381	16	2,281.25
Gross profit	14,838	8,163	81.77
Loss for the year	(14,606)	(13,214)	10.53

As illustrated in the above table, the Group's revenue amounted to approximately HK\$299.11 million for the year ended 31 December 2018 ("**FY2018**"), representing an increase of approximately 202.23% as compared with that for the year ended 31 December 2017 ("**FY2017**"). With reference to the 2018 Annual Report, such increase in revenue was attributable to the rapid expansion of North American markets fueled by the Group's expanded range of third-party branded product offerings. The Group's loss for FY2018 amounted to approximately HK\$14.61 million, representing an increase of approximately 10.53% as compared with that for FY2017.

LETTER FROM GRAM CAPITAL

	For the nine months ended 30 September 2019 (unaudited) HK\$'000	For the nine months ended 30 September 2018 (unaudited) HK\$'000	Year on year change %
Revenue	215,124	255,620	(15.84)
– Sales and distribution of IT products	214,857	255,353	(15.86)
– Repairs and service support	267	267	Nil
Gross profit	15,006	12,270	22.30
Profit/(loss) for the period	259	(7,739)	N/A

As illustrated in the above table, the Group's revenue for the nine months ended 30 September 2019 decreased by approximately 15.84% as compared with that for the nine months ended 30 September 2018. With reference to the 2019Q3 Report, such decrease in revenue was mainly attributable to the adjustment in strategies in the sales and distribution segment. Despite the decrease in the Group's revenue, the Group's gross profit margin increased from approximately 4.80% for the nine months ended 30 September 2018 to approximately 6.98% for the nine months ended 30 September 2019. With reference to the 2019Q3 Report, such increase in gross profit margin was due to the Group's efforts in fine-tuning its strategies and re-evaluating its business model, client and product mix so as to achieve a higher profit margin in the long run.

The Group recorded profit of approximately HK\$0.26 million for the nine months ended 30 September 2019, as compared to loss of approximately HK\$7.74 million for the nine months ended 30 September 2018. With reference to the 2019Q3 Report and as advised by the Directors, such turnaround from loss to profit was mainly due to increased gross profit margin and decreased administrative expenses led by strengthened control over operations which streamlined operating procedures and increased cost efficiency.

With reference to the 2019Q3 Report, the Group may allocate more resources to ramp up the repair and service support business portfolio in a bid to gain better recurring returns to the Shareholders.

LETTER FROM GRAM CAPITAL

Information on Fuhongjie

With reference to the Board Letter, Fuhongjie is an indirect wholly-owned subsidiary of Hon Hai and is principally engaged in manufacturing of IT products. Fuhongjie is a connected person of the Company.

Reasons for and benefits for the Service Transaction

With reference to the Board Letter, as an extension of the Group's repair and services support segment, the Group is liaising with potential customer for provision of the Services in order to ramp up the Group's repair and services support business portfolio and aim to gain better recurring returns to the Shareholders. At the initial stage of this extended business, the Group will engage sub-contractors to provide the Services. The Group will also consider setting up its own maintenance center after considering relevant cost, expected return and efficiency in providing the Services.

Having considered that (i) the Service Transaction can support the Group's business expansion and save the Group's startup cost (i.e. setting up its own maintenance center in the initial stage); and (ii) extension of the Group's repair and services support segment is in-line with the Group's business strategy, we concur with the Directors that the Service Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Service Framework Agreement

The tables below summarise the major terms of the Service Framework Agreement:

Date:	14 January 2020
Parties:	(i) The Company; and (ii) Shenzhen Fuhongjie Technology Service Limited Company
Subject matter:	Fuhongjie agreed to provide the Services to the Group during the Service Term. The Company may place orders with Fuhongjie for the Services.
Term:	From the Effective Date to 31 December 2022 (i.e. the Service Term)

LETTER FROM GRAM CAPITAL

Pricing basis

With reference to the Board Letter, the service fee to be paid by the Company to Fuhongjie will be subject to arm's length negotiations between the Company and Fuhongjie; and shall not be higher than the service fee offered by Independent Third Parties.

With reference to the Board Letter, there are internal control procedures on the Service Transaction (the "IC Procedures"), details of which is set out under the section headed "Internal Control" of the Board Letter.

For our due diligence purpose, we obtained the Company's written IC Procedures on the Service Transaction. We noted that the IC Procedures include, amongst others, quotations from Independent Third Party sub-contractors; review by the Company's finance department, auditors and independent non-executive Directors; and the Board's decision on sub-contractor selection. Accordingly, we consider that the effective implementation of the aforesaid internal control would help to ensure fair pricing of the Service Transaction.

3. Service Caps

The Service Caps for the period from the Effective Date to 31 December 2022 are set out below:

	From the Effective Date to 31 December 2020	For FY2021	For FY2022
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Service Caps	55,000,000	61,000,000	67,000,000

Set out below is the basis for determining the Service Caps according to the Board Letter:

- (i) The Company obtained order indication for FY2020 (in terms of maintenance units) from potential customer who requires the Services.

LETTER FROM GRAM CAPITAL

At the initial stage of this extended business of providing the Services to the Company's customer, the Group will engage sub-contractors to provide the Services. As mentioned in the Board Letter, the Board will select, on a quarterly basis, the sub-contractor with lowest service fee offered under similar terms and conditions.

Accordingly, the Company estimated its demand for the Services to be provided by Fuhongjie (as a sub-contractor) for FY2020 based on the aforesaid order indication (in terms of maintenance units) from potential customer.

- (ii) The Company estimated the service fee per maintenance unit based on the lowest preliminary quotations obtained from various sub-contractors.
- (iii) Based on factors (i) & (ii) above, the Company estimated its demand for the Services (in monetary term) for FY2020 to be approximately HK\$47.68 million (i.e. the product of factors (i) & (ii) above).
- (iv) The Company incorporated 5% demand buffer (the "**Demand Buffer**") and 10% exchange rate buffer (in light of the recent fluctuation in the exchange rate between RMB and HK\$) (the "**Exchange Rate Buffer**"). Accordingly, the Service Cap for FY2020 is required to be approximately HK\$54.83 million and set at HK\$55.00 million after rounding up.
- (v) The Company applied 10% possible growth on its demand for the Services (the "**Possible Growth**") for each of FY2021 and FY2022. Accordingly, the Service Caps for FY2021 and FY2022 are required to be approximately HK\$60.32 million and approximately HK\$66.35 million respectively and set at HK\$61.00 million and HK\$67.00 million respectively after rounding up.

For our due diligence purpose, we obtained the calculation of the Service Caps for the period from the Effective Date to 31 December 2022 (the "**Calculation**"). We noted that the Calculation is consistent with the aforesaid basis for determining the Service Caps.

The Demand Buffer

In respect of the Demand Buffer of 5%, we consider that it is reasonable to cater for unforeseeable circumstances and it is not at a substantial level.

LETTER FROM GRAM CAPITAL

The Exchange Rate Buffer

In respect of the Exchange Rate Buffer of 10%, the Directors advised us that the Services fee will be settled by the Group in RMB.

We conducted research on the historical exchange rate between RMB and HK\$ (approximately RMB:HK\$) as at the last business day of each month from January 2018 to December 2019, based on the statistics published by the State Administration of Foreign Exchange of the PRC. Set out below are our findings:

As at the last business day of											
January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
1:1.2347	1:1.2367	1:1.2480	1:1.2379	1:1.2232	1:1.1861	1:1.1514	1:1.1501	1:1.1364	1:1.1265	1:1.1276	1:1.1413

As at the last business day of											
January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
1:1.1702	1:1.1733	1:1.1658	1:1.1657	1:1.1375	1:1.1368	1:1.1366	1:1.1070	1:1.1086	1:1.1111	1:1.1136	1:1.1163

As illustrated by the table above, the exchange rate between RMB and HK\$ (approximately RMB:HK\$) dropped from 1:1.2347 at the last business day of January 2018 to 1:1.1070 at the last business day of August 2019, representing a decrease of approximately 10.34%. The exchange rate between RMB and HK\$ (approximately RMB:HK\$) slightly recovered to 1:1.1163 at the last business day of December 2019.

In light of the above, it is reasonable for the Company to consider possible rebound and fluctuation of the exchange rate between RMB and HK\$ when determining the Service Caps.

The Possible Growth

To assess the Possible Growth, we conducted research over the internet and noted from an article dated 22 August 2018 published by Forbes (a global media, branding and technology company) that sales of refurbished phones grew at an annual rate of 13% in 2017, according to Counterpoint's Refurbished Smartphone trend report. We also noted from an article dated 9 September 2019 published by International Data Corporation (a global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets) that smartphone shipment in 2019 declined by 2.2% on a year-on-year basis and consumers continued to hold their devices for lengthier time. Accordingly, we consider that the demand for maintenance for mobile phone and mobile phone display may increase in the future.

LETTER FROM GRAM CAPITAL

In light of the above, it is reasonable for the Company to incorporate the Possible Growth when determining the Service Caps.

Having considered the above basis for determining the Service Caps, the Calculation and our above assessments, we are of the view that the Service Caps for the period from the Effective Date to 31 December 2022 to be fair and reasonable.

Shareholders should note that as the Service Caps for the period from the Effective Date to 31 December 2022 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2022, and they do not represent forecasts of cost or expense incurred under the Service Transaction. Consequently, we express no opinion as to how closely the actual cost or expense to be incurred under the Service Transaction will correspond with the Service Caps.

Having considered the pricing of the Service Transaction and the Service Caps for the period from the Effective Date to 31 December 2022 as aforementioned, we are of the view that the terms of the Service Transaction are on normal commercial terms and are fair and reasonable.

4. Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 20.51 to 20.57 of the GEM Listing Rules pursuant to which (i) the values of the Service Transaction must be restricted by the Service Caps; (ii) the terms of the Service Transaction must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Service Transaction must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the GEM Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Service Transaction (i) has not been approved by the Board; (ii) was not entered into, in all material respects, in accordance with the relevant agreement governing the Service Transaction; and (iii) has exceeded the Service Caps. In the event that the total amount of the Service Transaction is anticipated to exceed the Service Caps, or that there is any proposed material amendment to the terms of the Service Transaction, as confirmed by the Directors, the Company shall comply with the applicable provisions of the GEM Listing Rules governing continuing connected transactions.

LETTER FROM GRAM CAPITAL

Given the above stipulated requirements for continuing connected transactions pursuant to the GEM Listing Rules, we are of the view that there are adequate measures in place to monitor the Service Transaction and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Service Transaction (including the Service Framework Agreement and the Service Caps) are on normal commercial terms and are fair and reasonable; and (ii) the Service Transaction is conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Service Transaction (including the Service Framework Agreement and the Service Caps) and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in investment banking industry.

1. 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.

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors and chief executive of the Company**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

As at the Latest Practicable Date, each of Mr. Hong Sung-Tai, Mr. Tsai Biing-Hann, Ms. Chen Ching-Hsuan and Mr. Han Chun-Wei, each being an executive Director, and Mr. Kao Chao Yang, being a non-executive Director, is an employee of Hon Hai. As at the Latest Practicable Date, save as disclosed above, none of the Directors are directors or employees of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company based on the disclosure of interest notices filed with the Company, the following persons (not being Directors or chief executive of the Company) (i) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register kept under section 336 of the SFO, or (ii) was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Long Position in the Shares

Name	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Foxconn (<i>Note</i>)	Beneficial owner	11,853,524	50.58%
Hon Hai (<i>Note</i>)	Interest of a controlled corporation	11,853,524	50.58%

Note: Based on the corporate substantial shareholder notices dated 20 October 2017 filed by Foxconn and Hon Hai, Foxconn was the beneficial owner of 11,853,524 Shares. Foxconn was wholly owned by Hon Hai. Accordingly, Hon Hai was deemed to be interested in all the 11,853,524 Shares held by Foxconn by virtue of the SFO.

Save as disclosed above, the Directors or chief executive of the Company were not aware of any other persons (not being Directors or chief executive of the Company) as at the Latest Practicable Date, (i) who had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register kept under section 336 of the SFO, or (ii) who was directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or which may be determined by the employer within one year without payment of compensation other than statutory compensation).

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have been, since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

5. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any business or interest which competes or may compete, either directly or indirectly, with the business of the Group.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which are contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Gram Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have, directly or indirectly, any interest in any assets which had since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

8. MISCELLANEOUS

- (i) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (ii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iii) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

- (a) the Service Framework Agreement;
- (b) the memorandum and articles of association of the Company;
- (c) the letter from the Independent Board Committee;
- (d) the letter from Gram Capital;
- (e) the written consent from Gram Capital referred to in the paragraph headed "6. QUALIFICATION AND CONSENT OF EXPERT" in this appendix; and
- (f) this circular.

NOTICE OF EGM



CircuTech International Holdings Limited

訊智海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8051)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of CircuTech International Holdings Limited (the “**Company**”) will be held at 15M, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, Hong Kong on Tuesday, 3 March 2020 at 10:00 a.m. for the purpose of considering, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the service framework agreement dated 14 January 2020 (“**Service Framework Agreement**”) and entered into between the Company and Shenzhen Fuhongjie Technology Service Limited Company* (“**Fuhongjie**”), an indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd. (“**Hon Hai**”), in relation to the provision of certain maintenance and value-added services by Fuhongjie to the Company and its subsidiaries (details of which are described in the circular of the Company dated 12 February 2020 (the “**Circular**”) and a copy of which has been produced to this Meeting marked “A” and signed by the chairman of this Meeting for the purpose of identification), the terms and conditions thereof, the proposed annual cap amounts related thereof, all the transactions contemplated thereunder and the implementation thereof be and are hereby approved, and the directors of the Company be and are hereby authorised to take all such steps to give effect to the same and to execute all documents and deeds as may be necessary or appropriate in relation thereto.”

By order of the Board

CircuTech International Holdings Limited

Mr. Hong Sung-Tai

Chairman

Hong Kong, 12 February 2020

NOTICE OF EGM

Registered Office:

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

Principal Place of Business

in Hong Kong:
31/F, Tower Two, Times Square,
1 Matheson Street,
Causeway Bay, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. 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, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 10:00 a.m. on Sunday, 1 March 2020 or not less than 48 hours before the time appointed for holding the adjourned Meeting (as the case may be). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. A form of proxy for use at the Meeting is enclosed with the circular of the Company dated 12 February 2020.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior holder 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 in respect of the joint holding.
6. For the purpose of determining the right to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 27 February 2020 to Tuesday, 3 March 2020 (both days inclusive). During such period, no transfer of shares in the Company will be registered. In order to be eligible for attending and voting at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 February 2020.
7. Any voting at the Meeting or any adjournment thereof should be taken by poll.

NOTICE OF EGM

As at the date hereof, the board of Directors comprises the following members:

Executive Directors

Mr. Hong Sung-Tai (*Chairman*)

Mr. Tsai Biing-Hann

Ms. Chen Ching-Hsuan

Mr. Han Chun-Wei

Non-executive Director

Mr. Kao Chao Yang

Independent non-executive Directors

Mr. Yeung Wai Hung Peter

Mr. Li Robin Kit Ling

Mr. Miao Benny Hua-ben

* *For identification purpose only*