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If you have sold or transferred all your shares in Sinoref 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.

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SINOREF
SINOREF HOLDINGS LIMITED
華耐控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1020)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
(2) PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE;
(3) PROPOSED REFRESHMENT OF OPTION SCHEME LIMIT;
AND
(4) NOTICE OF EGM

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



大有融資有限公司
MESSIS CAPITAL LIMITED

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A notice convening the EGM to be held at 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Wednesday, 7 October 2015 at 10:30 a.m. is set out on pages 21 to 23 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you intended to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before appointed for 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 if you so wish.

15 September 2015

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DEFINITIONS

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

“2015 AGM”	the annual general meeting of the Company held on 28 April 2015 at which, among others, a resolution for the grant of the Existing General Mandate to the Directors was duly passed by the Shareholders
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Sinoref Holdings Limited (華耐控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“controlling shareholders”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on 7 October 2015 for the purpose of considering and, if thought fit, approving (i) the Increase in Authorised Share Capital; (ii) the Refreshment of Existing General Mandate; and (iii) the Refreshment of Option Scheme Limit
“Existing General Mandate”	the general mandate granted to the Directors at the AGM to issue and allot a maximum of 313,245,600 Shares, representing 20% of the issued share capital of the Company on the date of AGM
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 17,000,000,000 Shares

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, to advise the Independent Shareholders in respect of the Refreshment of Existing General Mandate
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of Existing General Mandate
“Independent Shareholders”	any Shareholders other than controlling shareholders of the Company and their associates or, if there are no controlling shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	10 September 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company on the date of the passing of the relevant ordinary resolution at the EGM
“Option Scheme Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Refreshment of Existing General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting of the New General Mandate

DEFINITIONS

“Refreshment of Option Scheme Limit”	the proposed refreshment of the Option Scheme Limit
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company as at the Latest Practicable Date
“Share Option(s)”	the share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 7 June 2010
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



SINOREF
SINOREF HOLDINGS LIMITED
華耐控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1020)

Executive Directors:

Mr. Xu Yejun
Mr. Sin Kwok Wai Ronald

Non-executive Directors:

Mr. Chow Chi Wa
Ms. Yip Sum Yu

Independent non-executive Directors:

Mr. Cao Ke
Mr. Tong Yiu On
Mr. Li Yik Sang

Registered Office:

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

Principal place of business in Hong Kong:

35/F
Central Plaza
18 Harbour Road
Wan Chai
Hong Kong

15 September 2015

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
(2) PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE;
AND
(3) PROPOSED REFRESHMENT OF OPTION SCHEME LIMIT

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the Increase in Authorised Share Capital; (ii) the Refreshment of Existing General Mandate; (iii) the Refreshment of the Option Scheme Limit; (iv) the recommendation from the Independent Board Committee to the Independent Shareholders on the Refreshment of Existing General Mandate; (v) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Refreshment of Existing General Mandate; and (vi) the notice of EGM.

LETTER FROM THE BOARD

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each, of which 2,049,228,000 Shares have been allotted and issued as fully paid or credited as fully paid.

In order to provide the Company with a flexibility for future investment opportunities, the Directors propose to increase the authorised share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders to approve the Increase in Authorised Share Capital at the EGM.

The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Company and the Shareholders as a whole.

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

Background of the Existing General Mandate

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting the Directors the Existing General Mandate to allot and issue not more than 313,245,600 Shares, being 20% of 1,566,228,000 Shares in issue at the date of passing the relevant ordinary resolution at the AGM.

Reference is made to the announcements of the Company dated 2 June 2015 and 17 June 2015 in relation to the placing of new shares under general mandate. On 2 June 2015, the Company entered into the placing agreement with Convoy Investment Services Limited (the “**Placing Agent**”) pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent places for up to 313,000,000 new Shares at a price of HK\$0.35 per placing share (the “**Placing**”). The Placing was completed on 17 June 2015.

Thus, as at the Latest Practicable Date, the Existing General Mandate had been utilised as to 313,000,000 Shares, representing approximately 99.92% of the number of new Shares which were allowed to be allotted, issued and dealt with under the Existing General Mandate.

Proposed Refreshment of Existing General Mandate

The Company will convene and held the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors will be granted the New General Mandate to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had a total of 2,049,228,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed to allot and issue up to 409,845,600 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date.

The New General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next general meeting of the Company is required to be held by the Company's articles of association or any applicable laws; and (c) the date upon which the authority is revoked or varied by way of ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Reasons for the Refreshment of Existing General Mandate

As disclosed in the sub-section headed "Background of the Existing General Mandate" above, the Existing General Mandate had been utilized as to 99.92%. As at the Latest Practicable Date, the Company may issue up to only 245,600 Shares. The Company has not refreshed the Existing General Mandate since the AGM and up to the Latest Practicable Date.

The Group recorded net loss for two consecutive years ended 31 December 2014. According to the annual report (the "**2014 Annual Report**") of the Company for the year ended 31 December 2014 ("**FY2014**"), the production and operation of steel manufacturers were under tremendous pressure and challenges amidst the deteriorating global market and the fluctuating iron ore prices, which in turn lowered the average selling price of the products and the profitability of the Group. As a result of the challenging conditions, the Group's loss and total comprehensive expense for FY 2014 was approximately RMB173.7 million, compared to approximately RMB56.8 million for the previous year. The loss was mainly due to, among others, the significant drop of the average product price. Aiming at enhancing the Group's profitability and in view of the steel industry has been delivering disappointing performances and is still under uncertainties, the Group will continue to evaluate potential business opportunities.

Reference is made to the Company's announcement dated 15 May 2015. The Company entered into the conditional sale and purchase agreement dated 15 May 2015 with the independent third parties, regarding the acquisition of the entire issued share capital of Soaring International Holdings Limited, at the consideration of HK\$380,000,000, which will be satisfied by the 520,000,000 new Shares and the promissory note in the principal amount of HK\$213,600,000 at the interest rate of 2% per annum to be issued by the Company.

Reference is also made to the announcement of the Company dated 13 July 2015. The Company entered into the memorandum of understanding dated 13 July 2015 with 天弘創新資產管理有限公司 (Tianhong Chuangxin Asset Management Co. Ltd.) ("**Investor**"), in relation to the proposed investments by the Investor in the Company ("**Proposed Investments**"). The Proposed Investments are subject to further negotiations and execution of formal agreements between the parties and thus the Proposed Investments may or may not proceed.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for disclosed above and those as previously announced by the Company, the Company has no other plans or negotiations in relation to other new investment opportunities and/or acquisition. As at the Latest Practicable Date, the Company has no current plan to utilize the New General Mandate.

As advised by the Company, the unaudited bank balance and cash of the Group was approximately HK\$119 million as at 31 July 2015. The Company considers that the said cash balance is just enough and is expected to be reserved for covering daily operations and meeting its present working capital requirements for its existing business for the coming year, including but not limited to the estimated annual spending of approximately HK\$38 million for general business operations, HK\$35 million for administrative expenses and HK\$35 million for selling and distribution costs. Such estimated annual spending is in line with the actual spending for the previous financial year.

In view of the above, the Board considers to maintain financial flexibility of the Group is conducive to its business operation and future business development and investment.

Taking into account that (i) 99.92% of the Existing General Mandate has been utilized; (ii) the next annual general meeting of the Company is only expected to be held in April 2016, which is around 8 months away from the Latest Practicable Date; (iii) the Refreshment of Existing General Mandate will provide an alternative to increase amount of capital which may be raised under the New General Mandate and (iv) the Refreshment of Existing General Mandate provide more flexibility and options of financing to the Group for future investments and business development as and when it arises. Accordingly, the Board considers that the Refreshment of Existing General Mandate is in the interest of the Company and the Shareholders as a whole.

Change in shareholding structure of the Company

For illustration purpose only, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM):

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Fully Wealthy Inc.	205,012,000	10.00	205,012,000	8.34
Maximum number of new Shares to be issued pursuant to the New General Mandate if granted	–	–	409,845,600	16.67
Public Shareholders	1,844,216,000	90.00	1,844,216,000	74.99
Total	<u>2,049,228,000</u>	<u>100.00</u>	<u>2,459,073,600</u>	<u>100.00</u>

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Transaction	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds
25 June 2014	Placing of existing Shares and subscription of new Shares	Approximately HK\$61 million	General working capital and/or to finance potential investment projects	Proceeds were used to finance the acquisition as announced on 3 November 2014
16 April 2015	Placing of 170,000,000 new Shares under general mandate	Approximately HK\$52.28 million	General working capital and/or future investment of the Group as and when opportunities arise	Approximately HK\$30 million was used for debt repayment, approximately HK\$13.3 million was used for general administration expenses and general working capital, and the remaining balance as deposit in bank
2 June 2015	Placing of 313,000,000 new Shares under general mandate	Approximately HK\$109 million	General working capital and/or future investment of the Group as and when opportunities arise	As at the Latest Practicable Date, the net proceeds has been deposited in bank

PROPOSED REFRESHMENT OF OPTION SCHEME LIMIT

Under the Listing Rules, the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options granted under the Share Option Scheme shall not initially in aggregate exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit by the Shareholders.

The Share Option Scheme was adopted on 7 June 2010. Based on 1,200,000,000 Shares in issue at the annual general meeting of the Company held on 12 June 2012 when the last refreshed Option Scheme Limit was approved, the Option Scheme Limit as refreshed was 120,000,000 Shares, being 10% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution on 12 June 2012. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force as at the Latest Practicable Date.

LETTER FROM THE BOARD

During the period from 12 June 2012 to the Latest Practicable Date, the Company granted 120,000,000 Share Options which entitle the holders thereof to subscribe for 120,000,000 Shares, representing approximately 5.86% of the issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had a total of 2,049,228,000 Shares in issue. Unless the Option Scheme Limit is refreshed, no Shares may be issued pursuant to the grant of the Share Options under the Share Option Scheme.

Subject to the passing of the ordinary resolution for the approval of the Refreshment of Option Scheme Limit and on the basis that 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 share options to be granted under the Share Option Scheme under the Option Scheme Limit as refreshed should be 204,922,800 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

Pursuant to the terms of the Share Option Scheme and in accordance with Chapter 17 of the Listing Rules, the Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30% of the Shares in issue from time to time. No share options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The Board considers that the Refreshment of Option Scheme Limit is in the interests of the Company and the Shareholders as a whole as it enables the Company to reward and motivate its employees and other selected participants under the Share Option Scheme.

The Refreshment of Option Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Refreshment of Option Scheme Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Share Options granted under the refreshed Option Scheme Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Shares, representing 10% of the issued share capital of the Company as at the date of the EGM, which may fall to be issued upon the exercise of the Share Options that may be granted under the refreshed Option Scheme Limit.

LETTER FROM THE BOARD

THE LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders of the Company, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour in respect of the Refreshment of Existing General Mandate to be proposed at the EGM. As there is no controlling shareholder of the Company, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution at the EGM.

As at the Latest Practicable Date, no Directors and the chief executive of the Company and their respective associates hold any Shares.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders on the Refreshment of Existing General Mandate. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held to consider and, if thought fit, pass the ordinary resolutions to approve (i) the Increase in Authorised Share Capital; (ii) the Refreshment of Existing General Mandate; and (iii) the Refreshment of Option Scheme Limit.

A notice convening the EGM to be held at 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Wednesday, 7 October 2015 at 10:30 a.m. is set out on pages 21 to 23 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are intend attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before appointed for 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 if you so wish.

The ordinary resolutions to approve (i) the Increase in Authorised Share Capital; (ii) the Refreshment of Existing General Mandate; and (iii) the Refreshment of Option Scheme Limit at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the results of the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that (i) the Increase in Authorised Share Capital; (ii) the Refreshment of Existing General Mandate; and (iii) the Refreshment of Option Scheme Limit are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee as set out on page 12 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of Existing General Mandate. Your attention is also drawn to the letter from the Independent Financial Adviser as set out on pages 13 to 20 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of Existing General Mandate and the principal factors and reasons it has taken into account in arriving at its recommendation.

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.

By order of the Board
Sinoref Holdings Limited
Mr. Xu Yejun
Chairman



SINOREF
SINOREF HOLDINGS LIMITED
華耐控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1020)

15 September 2015

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

We refer to the circular from the Company to the Shareholders dated 15 September 2015 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in connection with the Refreshment of Existing General Mandate. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 13 to 20 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular.

Having taken into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the Refreshment of Existing General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the Refreshment of Existing General Mandate at the EGM.

Yours faithfully,

Mr. Cao Ke

Mr. Tong Yiu On

Mr. Li Yik Sang

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

15 September 2015

To: The Independent Board Committee and the Independent Shareholders of Sinoref Holdings Limited

Dear Sir/Madam,

REFRESHMENT OF EXISTING GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of Existing General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 15 September 2015, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the Refreshment of Existing General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the granting of the Refreshment of Existing General Mandate to be proposed at the EGM. To the best of the Directors’ information and belief after having made reasonable enquiries, as at the Latest Practicable Date, there was no controlling shareholder of the Company as defined under the Listing Rules and none of the Directors and the Company’s chief executive and their respective associates was interested in any Shares. Accordingly, no shareholder is required to abstain from voting in favour of the resolution approving the granting of the Refreshment of Existing General Mandate at the EGM.

The Independent Board Committee comprising Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang, all being independent non-executive Directors, has been established to advise whether the granting of the Refreshment of Existing General Mandate is in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, MESSIS CAPITAL LIMITED, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, we were independent from and not connected with the Group pursuant to Rule 13.84 of the Listing Rules and accordingly, were qualified to advise the Independent Board Committee and the Independent Shareholders with respect to the Refreshment of Existing General Mandate. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of Existing General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background and reasons for the Refreshment of Existing General Mandate

The Group is principally engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel, such as subentry nozzle, stopper, tundish nozzle and ladle shroud.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

At the 2015 AGM, the then Shareholders approved, among other things, ordinary resolution to approve the granting of the Existing General Mandate to the Directors to allot, issue and deal with up to 313,245,600 Shares, being 20% of the entire issued share capital of the Company as at the date of the annual general meeting.

As disclosed in the announcement of the Company dated 2 June 2015, a total of 313,000,000 Shares were issued by the way of placing under the Existing General Mandate, which utilised approximately 99.92% of the Existing General Mandate. The placing was completed on 17 June 2015. As at the Latest Practicable Date, the Directors would be only allowed to allot and issue 245,600 Shares (the “Remaining Existing General Mandate”), representing 0.08% of the Existing General Mandate from the Latest Practicable Date to the date of the next annual general meeting of the Company if the Existing General Mandate is not refreshed. In order to maintain financial flexibility for the Company to raise further funds through the issue of new Shares for its future business development as and when an opportunity arises, the Board proposes to seek the approval of Independent Shareholders at the EGM to grant the Refreshment of Existing General Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company at the date of EGM.

As stated in the annual report of the Group for the year ended 31 December 2014 (the “2014 Annual Report”), due to (i) the slowing down of the economic growth of China; (ii) the issues of overcapacity and oversupply in the iron and steel industry; and (iii) the continuously falling steel prices, the steel enterprises facing significant business challenges, and the steel flow control products industry having also been dragged down, the Group recorded a loss of approximately RMB173.7 million for the year ended 31 December 2014, compared to approximately RMB56.8 million for the previous year. The Group continued to strive to maintain its market position through advanced technology research and development to provide quality products to its customers. In 2014, the Group had obtained 5 new registered patents, increasing the total number of registered patents to 22. For the year ended 31 December 2014, the research and development cost of the Group was approximately RMB32.7 million, which was increased from approximately RMB14.0 million for the year ended 31 December 2013. Therefore, the Refreshment of Existing General Mandate can provide possibility for the Group to strengthen its financial position in anticipation of challenging market condition and provide additional funding for the investment on the advanced technology research and development for the Group to stay competitive.

Besides, as advised by the Directors, the Group was paying continuous effort to explore the market and seek for investment opportunities in other fields to develop additional income streams for the Group. As at the Latest Practicable Date, in order to achieve the diversification of income streams, the Group had entered into an acquisition agreement in May 2015.

Reference is made to the Company’s announcement dated 15 May 2015. The Group entered into a major transaction as acquisition on 15 May 2015 which the target company is principally engaged in providing e-commerce and related support services and selling information technology products. As advised by the Directors, the Group intends to diversify the revenue stream of the Group by way of entering the e-commerce industry. As the transaction is still subject to the approval of the Company’s shareholders, further details for the

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future development of the e-commerce business segment is yet to be confirmed at the current stage. As advised by the management of the Group, the Company currently expects that the target company can support its own working capital requirements by its own resources in the coming few years. With reference to the announcement of the Company dated 15 May 2015, the unaudited net profit after taxation and extraordinary items for the year ended 31 March 2015 of the target company was approximately HK\$2,934,000, and the total assets and the total liabilities of the target company as at 31 March 2015 according to its unaudited consolidated financial statement were approximately HK\$17 million and HK\$16 million respectively. However, there is no assurance that the Company will not finance the target company directly, and the amount of investment will be in accordance with various factors, including but not limited to, the growth of the market, the scale of the future expansion, the future market performance of the target company, the assets base of the target company, and the need for capital injection. Therefore, the Group may have potential needs for financing the development of the e-commerce business segment in the future. Moreover, part of the consideration of the transaction will be satisfied by way of issuing the promissory note in a principal amount of approximately HK\$214 million at the interest rate of 2% per annum with maturity falling on the expiry of three years from the date of issue of the promissory note which the Refreshment of Existing General Mandate can enhance the flexibility of the Company in consideration of the funding requirements in relation to the acquisition.

Reference is also made to the announcement of the Company dated 13 July 2015. The Company entered into the memorandum of understanding dated 13 July 2015 with 天弘創新資產管理有限公司 (Tianhong Chuangxin Asset Management Co. Ltd.) (“Investor”), in relation to the proposed investment by the Investor in the Company (“Proposed Investment”). The Proposed Investment is subject to further negotiations and execution of formal agreements between the parties and thus the Proposed Investment may or may not proceed. In the event that the Proposed Investment is agreed to be done by way of equity investment, the issue of Shares by way of specific mandate will take time and the investor may or may not be willing to go through such lengthy process and as such the Company’s negotiation power for better terms may be affected. We consider that the Refreshment of Existing General Mandate can enhance the flexibility of the Company in negotiation terms with the investor for the Proposed Investment.

As stated in the 2014 Annual Report, as at 31 December 2014, the bank balances and cash of the Group was approximately RMB103 million (equivalent to approximately HK\$129 million); as at 31 July 2015, the unaudited bank balance and cash of the Group was approximately HK\$119 million. The Company considers that the said cash balance is just enough and is expected to be reserved for covering daily operations and meeting its present working capital requirements for its existing business for the coming year, including but not limited to the estimated annual spending of approximately HK\$38 million for general business operations, HK\$35 million for administrative expenses and HK\$35 million for selling and distribution costs. Such estimated annual spending is in line with the actual spending for the previous financial year. Based on the above, we are of view that the Company usually kept sufficient cash resource to cover daily operations and to meet its present working capital requirements for its operation. Given that the existing cash resources of the Group are only sufficient to cover daily operations and to meet its present working capital requirements for its existing business, the Refreshment of Existing General Mandate can provide the Group with

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necessary financing flexibility for (i) the capability to invest in advanced technology research and development for the enhancement of competitiveness of existing business; (ii) preparing the cash reserve for funding the future business development and investment opportunities in a timely and effective manner as and when such opportunities arise; and (iii) allot and issue new Shares as part of the consideration for any possible acquisition.

Having considered that (i) the Existing General Mandate is almost fully utilised, and it is expected that the next annual general meeting will not take place until April 2016, which is around 8 months away from the Latest Practicable Date; and (ii) the Group's situation as presented above, we are of the view that the granting of the Refreshment of Existing General Mandate would provide the Group with necessary financing flexibility for its potential financing needs for any possible transactions and any future investments and business developments as and when they arise in a timely manner, and are therefore of the view that the granting of Refreshment of Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

2. Fund raising activities of the Company during the past twelve months

Set out below is the fund raising activities of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Transaction	Estimated net proceeds	Intended use of net proceeds	Actual use of net proceeds
25 June 2014	Placing of existing Shares and subscription of new Shares	Approximately HK\$61 million	General working capital and/or to finance potential investment projects	Proceeds were used to finance the acquisition as announced on 3 November 2014
16 April 2015	Placing of 170,000,000 new Shares under general mandate	Approximately HK\$52.28 million	General working capital and/or future investment of the Group as and when opportunities arise	Approximately HK\$30 million was used for debt repayment, approximately HK\$13.3 million was used for general administration expenses and general working capital, and the remaining balance as deposit in bank
2 June 2015	Placing of 313,000,000 new Shares under general mandate	Approximately HK\$109 million	General working capital and/or future investment of the Group as and when opportunities arise	As the Latest Practicable Date, the net proceeds has been deposited in bank

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Save as disclosed above, the Company did not conduct any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

The entire net proceeds from the placing of existing Shares and subscription of new Shares on 25 June 2014 and the placing of new Shares on 16 April 2015 have been fully utilised except the approximately HK\$8.98 million bank deposit. However, the net proceeds obtained from the placing of new Shares on 2 June 2015 have not been used as at the Latest Practicable Date and will be intended to apply to general working capital and/or future investments of the Group as and when opportunities arise, the Directors considered that the Refreshment of Existing General Mandate is mainly intended to provide financing flexibility to the Company for any potential investment and business opportunities, if and when it materializes, as referred to the discussion above.

We concur with the Directors' view that the granting of the Refreshment of Existing General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it offers the Group the financing flexibility for both current and future funding needs, taking into account the financial position of the Group.

3. Other financing alternatives

As advised by the management of the Company, apart from equity financing, the Group will also consider other financing alternatives such as debt financing and bank borrowings before making any investment decisions. The Group will consider the cost and other terms of the funding before deciding on the means of financing in order to maximise the benefit to the Shareholders. Furthermore, these alternatives may be subject to lengthy due diligence and negotiations.

We consider that the granting of the Refreshment of Existing General Mandate will provide the Group with an additional financing alternative and it is reasonable for the Group to have the flexibility in deciding the financing methods for its future business development and the efficient use of its funds. Based on the above, we are of the view that the granting of the Refreshment of Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

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4. Potential dilution to Independent Shareholders' shareholdings

Set out below is a table showing (i) the shareholding structure of the Company as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the New General Mandate assuming no new Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM:

Shareholders	As at the Latest Practicable Date		Immediately upon full utilisation of the New General Mandate <i>(Note)</i>	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Fully Wealthy Inc.	205,012,000	10.00%	205,012,000	8.34%
Maximum number of new Shares can be issued pursuant to the New General Mandate if granted	–	–	409,845,600	16.67%
Public Shareholders	1,844,216,000	90.00%	1,844,216,000	74.99%
Total	2,049,228,000	100.00%	2,459,073,600	100.00%

Note: Assuming no new Shares will be issued and/or repurchased by the Company (including that may be issued upon the exercise of the share options granted under the Share Option Scheme of the Company) between the Latest Practicable Date and the date of the EGM.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date to the date of the EGM, 409,845,600 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% of the issued share capital as at the Latest Practicable Date, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 90% as at the Latest Practicable Date to approximately 75% upon full utilisation of the New General Mandate, representing a potential maximum decrease in shareholding of approximately 15%.

Taking into account that the granting of the Refreshment of Existing General Mandate (i) would allow the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) would provide more flexibility and options of financing to the Group for its current and future business development as well as for other potential investments opportunities as and when such opportunities arise; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; and (iv) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as just mentioned is acceptable.

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RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above including (i) the Existing General Mandate is almost fully utilised, and it is expected that the next annual general meeting will not take place until April 2016, which is around 8 months away from the Latest Practicable Date; (ii) the Refreshment of Existing General Mandate provides the financial flexibility necessary for the Group's current and future business development and allows the Company to respond in a timely and effective manner to take advantage of any material investment opportunity efficiently; (iii) the Refreshment of Existing General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its current and future funding needs and the efficient use of its funds; and (iv) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the granting of the Refreshment of Existing General Mandate is fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the granting of the Refreshment of Existing General Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

Mr. Robert Siu is a licensed person registered with the SFC and regarded as a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

NOTICE OF EGM



SINOREF SINOREF HOLDINGS LIMITED

華耐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1020)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Sinoref Holdings Limited (the “**Company**”) will be held at 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Wednesday, 7 October 2015 at 10:30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the authorised share capital of the Company be increased from HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.10 each (the “**Share(s)**”) to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 17,000,000,000 new Shares (the “**Increase in Authorised Share Capital**”); and
- (b) any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and things and execute all such documents which he/she consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

2. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) 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, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF EGM

(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 pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below), or (ii) any share option schemes of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, or (iv) the exercise of the outstanding conversion rights attaching to any convertible securities issued by the Company, which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next general meeting of the Company is required to be held by the Company’s articles of association or any applicable laws of Cayman Island; and
- (iii) the date upon which the authority is revoked or varied by way of ordinary resolution of the shareholders of the Company in a general meeting prior to the next annual general meeting of the Company.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

3. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “**Option Scheme Limit**”) under the share option scheme adopted by the Company by way of shareholders’ resolution on 7 June 2010 in the manner as set out in paragraph (a) of this resolution below,

(a) the refreshment of the Option Scheme Limit of up to 10% of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and

NOTICE OF EGM

- (b) any one Director be and are hereby authorised do all such acts and things and execute all such documents, including under common seal of the Company where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

Yours faithfully,
By order of the Board
Sinoref Holdings Limited
Mr. Xu Yejun
Chairman

Hong Kong, 15 September 2015

Registered Office:

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

Principal place of business in Hong Kong:

35/F
Central Plaza
18 Harbour Road
Wan Chai
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. 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 must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof, should he so wish.
- (3) Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As required under the Rules Governing the Listing of Securities on the Stock Exchange, the above resolution will be decided by way of poll.

As at the date of this notice, the executive Directors are Mr. Xu Yejun and Mr. Sin Kwok Wai Ronald, the non-executive Directors are Mr. Chow Chi Wa and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang.