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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in China Technology Solar Power Holdings Limited (“**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the 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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**CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED**  
**中科光電控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

(stock code: 8111)

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;**  
**(2) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;**  
**(3) RE-ELECTION OF DIRECTORS; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Horizon Room, 7th Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Thursday, 21 August 2014 at 11:00 a.m. is set out on pages 25 to 30 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the principal place of business of the Company in Hong Kong at Room 1801, 18th Floor, Kai Tak Commercial Building, 317 & 319 Des Voeux Road Central, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

This circular will remain on the Company’s website and on the website of the Growth Enterprise Market of the Stock Exchange with the domain name of [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting.

21 July 2014

\* for identification purposes only

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## CHARACTERISTICS OF GEM

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

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

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened to be held at Horizon Room, 7th Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Thursday, 21 August 2014 at 11:00 a.m.
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning as defined under the GEM Listing Rules
“Board”	the board of Directors
“close associate”	has the meaning as defined under the GEM Listing Rules
“Company”	China Technology Solar Power Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Director(s)”	director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time, including any executive director but excluding any non-executive director) of, or any individual for the time being seconded to work for, the Company, any of its subsidiary or any Invested Entity
“Eligible Participant(s)”	the persons who may be invited by the Directors to take up Options under the New Share Option Scheme, namely: <ul style="list-style-type: none"><li>(a) any Eligible Employee;</li><li>(b) any non-executive Director (including independent non-executive Directors) of the Company, any subsidiary of the Company or any Invested Entity;</li><li>(c) any supplier of goods or services to any member of the Group or any Invested Entity;</li><li>(d) any customer of the Group or any Invested Entity;</li></ul>

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## DEFINITIONS

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- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
  - (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
  - (g) any adviser (professional or otherwise) or consultant to the Group relating to business development of the Group or any member of the Group or any Invested Entity; and
  - (h) any joint venture or business alliance of any member of the Group who have contributed to the development and growth of the Group
- “Existing Share Option Scheme” the existing share option scheme adopted by the Company which became effective on 30 July 2004
- “Extension Mandate” a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
- “GEM” the Growth Enterprise Market operated by the Stock Exchange
- “GEM Listing Rules” the Rules Governing the Listing of Securities on GEM
- “Group” the Company and its subsidiaries
- “Hong Kong” the Hong Kong Special Administrative Region of the PRC
- “Invested Entity” any entity in which the Group holds an equity interest
- “Issue Mandate” a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
- “Latest Practicable Date” 15 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM for the benefit of the Group, its employees, Directors, subsidiaries and other Eligible Participants, the principal terms of the rules of which is set out in Appendix II to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a business day, on which an Offer is made to an Eligible Participant
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to Eligible Participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or, after its termination, under the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Share Option Scheme; and (ii) 10 years from the Offer Date of that Option
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase the Shares the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing of the relevant resolution at the AGM
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED 中科光電控股有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

(stock code: 8111)

*Executive Directors:*

Chiu Tung Ping (*Chairman*)  
Zhang Shenxin (*Vice-Chairman*)  
Yuen Hing Lan  
Hou Hsiao Bing  
Hou Hsiao Wen  
Hu Xin

*Independent non-executive Directors:*

Tam Kam Biu, William  
Meng Xianglin  
Dong Guangwu

*Registered office:*

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

*Principal place of business*

*in Hong Kong:*

Room 1801  
18th Floor  
Kai Tak Commercial Building  
317 & 319 Des Voeux Road Central  
Hong Kong

21 July 2014

*To the Shareholders*

Dear Sir/Madam

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;  
(3) RE-ELECTION OF DIRECTORS; AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include, among others, ordinary resolutions relating to (i) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) the proposed adoption of the New Share Option Scheme and (iii) the re-election of Directors.

\* for identification purposes only

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## LETTER FROM THE BOARD

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### ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 23 September 2013, the Directors were granted, among other things, (a) a general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of Shares in issue as at the date of passing of the relevant resolution; (b) a general and unconditional mandate to repurchase, on the Stock Exchange, Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Share repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (b) above. The abovementioned mandates will expire at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,092,220,643 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 218,444,128 Shares.

At the AGM, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares are listed, Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 109,222,064 Shares.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate would expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (iii) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the GEM Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.



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## LETTER FROM THE BOARD

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### PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

#### New Share Option Scheme

The Existing Share Option Scheme became effective on 30 July 2004. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective only until 29 July 2014, being 10 years after the adoption date of the Existing Share Option Scheme. After the expiry of the Existing Share Option Scheme, no further Options shall be offered pursuant to the Existing Share Option Scheme but the Existing Share Option Scheme shall in all other respects remain in force to the extent necessary to give effect to the exercise of any outstanding Options granted prior to its termination. The existing Options shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

As at the Latest Practicable Date, no Options granted under the Existing Share Option Scheme remained outstanding.

The Board proposes to adopt the New Share Option Scheme pursuant to Chapter 23 of the GEM Listing Rules, and a resolution will be proposed at the AGM for the adoption of the New Share Option Scheme.

The Directors consider that the New Share Option Scheme will continue to enable the Group to reward its employees, Directors and other selected participants for their contributions to the Group and will also assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participants to whom the Options shall be granted. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

As at the Latest Practicable Date, there were 1,092,220,643 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the approval of the New Share Option Scheme at the AGM, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company (including the Existing Share Option Scheme) will be 109,222,064 Shares, being 10% of the Company's issued share capital as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM, which maximum number may however be refreshed as detailed in paragraph (3) of Appendix II to this circular provided that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company from time to time.

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## LETTER FROM THE BOARD

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None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

Unless otherwise determined by the Directors and stated in the Offer to a grantee, there is no performance target and no minimum period for which an Option must be held before it can be exercised under the New Share Option Scheme. The subscription price for Shares on the exercise of Options under the New Share Option Scheme as determined by the Board, subject to any adjustments made pursuant to the New Share Option Scheme, shall be no less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

### **Value of Options that can be granted under the New Share Option Scheme**

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the New Share Option Scheme at the AGM will not be meaningful to the Shareholders, since the Options will be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. In addition, the calculation of the value of the Options is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

### **Conditions of the adoption of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM); and
- (b) the passing of the necessary resolution of the Shareholders at the AGM to approve and adopt the New Share Option Scheme.

### **General**

The principal terms of the rules of New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix II to this circular on pages 13 to 21. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of

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## LETTER FROM THE BOARD

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business in Hong Kong at Room 1801, 18th Floor, Kai Tak Commercial Building, 317 & 319 Des Voeux Road Central, Hong Kong during normal business hours for the period of 14 days from the date of this circular to 7 August 2014 (inclusive of both dates) and at the AGM.

There is no major difference between the terms of the Existing Share Option Scheme and the New Share Option Scheme. The differences are mainly the necessary modifications made pursuant to the GEM Listing Rules.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM).

As at the Latest Practicable Date, no Option had been granted or agreed to be granted under the Existing Share Option Scheme or the New Share Option Scheme.

### RE-ELECTION OF DIRECTORS

In accordance with Article 108(A) of the Articles, Mr. Chiu Tung Ping, Ms. Yuen Hing Lan and Ms. Hu Xin will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the AGM.

Particulars of the Directors who offered themselves for re-election are set out in Appendix III to this circular.

### VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### ACTIONS TO BE TAKEN

At the AGM, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate;
- (b) the proposed adoption of the New Share Option Scheme; and
- (c) the re-election of Directors.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors believe that the grant of Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed adoption of the New Share Option Scheme and the re-election of Directors are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 March 2014, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions approving the grant of Issue Mandate, the Repurchase Mandate and the Extension Mandate, the proposed adoption of the New Share Option Scheme and the re-election of Directors at the AGM.

No Shareholder is required to abstain from voting on any of the resolutions proposed at the AGM under the GEM Listing Rules.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

As at the Latest Practicable Date, the Company did not have any controlling Shareholder and so far as the Directors are aware, none of the Directors had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interest with the Group.

### 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.

By order of the Board  
**China Technology Solar Power Holdings Limited**  
**Chiu Tung Ping**  
*Chairman and executive Director*

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

It is proposed that up to 10% of the Shares in issue at the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at Latest Practicable Date, there were a total of 1,092,220,643 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 109,222,064 Shares.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

## **4. FUNDING OF REPURCHASES**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a repurchase over the par value of the Shares so purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2014, being the date of its latest audited consolidated financial statements, in the event that the proposed purchases in the Repurchase Mandate were to be exercised in full at any time during the proposed purchases period. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
July 2013	0.1320	0.0700
August 2013	0.1450	0.0950
September 2013	0.1120	0.0930
October 2013	0.1150	0.0910
November 2013	0.1280	0.0920
December 2013	0.1200	0.1000
January 2014	0.2800	0.1000
February 2014	0.2600	0.1660
March 2014	0.2150	0.1520
April 2014	0.1950	0.1500
May 2014	0.1840	0.1230
June 2014	0.1850	0.1190
July 2014 (up to the Latest Practicable Date)	0.1500	0.1320

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchases pursuant to the Repurchase Mandate.

The Directors have no present intention to exercise the Repurchase Mandate to such extent that may result in any mandatory offer being required under the Takeovers Code or may result in a public shareholding of less than 25%, the prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public.

#### **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

#### **8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

*The following is the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the AGM:*

**(1) PURPOSE OF THE NEW SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

**(2) WHO MAY JOIN**

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the New Share Option Scheme and the GEM Listing Rules, invite any person belonging to any of the following classes of participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any non-executive Director (including independent non-executive Directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to the Group relating to business development of the Group or any member of the Group or any Invested Entity; and
- (h) any joint venture or business alliance of any member of the Group who have contributed to the development and growth of the Group;

and, for the purposes of the New Share Option Scheme, the Options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of Eligible Participants. For the avoidance of doubt, the grant of any option by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the New Share Option Scheme.



The basis of eligibility of any of the Eligible Participants to the grant of any Option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her contribution to the development and growth of the Group and any Invested Entity.

**(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- (a) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company (or the subsidiaries) in issue from time to time.
- (b) The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the rules of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the day on which the New Share Option Scheme is approved by the Shareholders at the AGM, which is 109,222,064 Shares (assuming there will be no change in the number of issued Shares between the Latest Practicable Date and the date of the AGM) ("General Scheme Limit").
- (c) Subject to (a) above and without prejudice to (d) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Group) previously granted under the Existing Share Option Scheme and any other share option scheme of the Group will not be counted. The circular to be sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.
- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (c) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a general description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

**(4) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised, cancelled or outstanding Options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (“Individual Limit”). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be separately approved by Shareholders at general meeting of the Company with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the participant, the number and terms of Options to be granted (and options previously granted to such participant) and such other information required under the GEM Listing Rules. The number and terms (including the exercise price) of the Options to be granted to such participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 23.03(9) of the GEM Listing Rules.

**(5) GRANT OF OPTIONS TO CONNECTED PERSONS**

- (a) Any grant of Options under the New Share Option Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Options).
- (b) Where any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders. All connected persons of the Company must abstain from voting at such general meeting, except that any such connected person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the said circular to the Shareholders. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of Options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the independent Shareholders in general meeting.

**(6) TIME OF ACCEPTANCE AND EXERCISE OF OPTION**

An Offer of the grant of the Option may be accepted by an Eligible Participant within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date) and the Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted on the Offer Date.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day upon which the grant of Options is made but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof.

**(7) MINIMUM PERIOD AND PERFORMANCE TARGETS**

Unless the Directors otherwise determined and stated in the Offer to a grantee, a grantee is not required to hold an Option for any minimum period nor achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

**(8) SUBSCRIPTION PRICE FOR SHARES**

The subscription price for Shares under the New Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the Shares for the five business days immediately preceding the date of the Offer Date; and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

**(9) RANKING OF SHARES**

- (a) Shares allotted upon the exercise of an Option will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members ("Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the Exercise Date. No dividend (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

**(10) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

For so long as the Shares are listed on the Stock Exchange, the Company may not grant any Options after Inside Information has come to its knowledge until it has announced the information. In particular, the Company may not grant any Option during the period commencing one month immediately before the earlier of (a) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), and (b) the last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), including any period of delay in publishing the results announcement and ending on the date of the results announcement.

The Directors may not grant any Option to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares under such circumstances as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(11) PERIOD OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted.

**(12) RIGHTS ON CEASING EMPLOYMENT**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in sub-paragraph (15) below before exercising his/her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

**(13) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her personal representative(s), or, as appropriate, the grantee may exercise the Option

(to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

**(14) RIGHTS ON DISMISSAL**

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), or (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant subsidiary of the Company or the relevant Invested Entity, his/her Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**(15) RIGHTS ON BREACH OF CONTRACT**

If the Directors shall at their absolute discretion determine that (a)(i) the grantee of any Option (other than an Eligible Employee) or his/her associate has committed any breach of any contract entered into between the grantee or his/her associate on the one part and the Group or any Invested Entity on the other part; or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of his/her relations with the Group or by other reason whatsoever; and (b) the Option granted to the grantee under the New Share Option Scheme shall lapse, his/her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**(16) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT**

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his/her Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his/her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees

on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such scheme or arrangement, and thereupon any grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his/her Option (to the extent not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his/her Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

**(17) RIGHTS ON WINDING UP**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days prior to the date on which such resolution is to be considered and/or passed, exercise his/her Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his/her Option not less than one business day before the date on which such resolution is to be considered and or/passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

**(18) GRANTEE BEING A COMPANY WHOLLY OWNED BY ELIGIBLE PARTICIPANTS**

If the grantee is a company wholly owned by one or more Eligible Participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the Options to such grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and
- (b) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(19) ADJUSTMENTS TO THE SUBSCRIPTION PRICE**

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the Auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Share Option Scheme and the Option so far as unexercised and/or the exercise price of the Option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the GEM Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such Auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

Unless otherwise stipulated by the applicable laws, the effective date of any adjustment in accordance with the provisions of the New Share Option Scheme shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to above, the day on which the Shares relating to such event are allotted or, as the case may be created.

**(20) CANCELLATION OF OPTIONS**

Save as to breach of paragraph (22) and subject to Chapter 23 of the GEM Listing Rules, any cancellation of Options granted but not exercised must be subject to the consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and issues new Options to the same grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (3)(c) and (d) above.

**(21) TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company may by resolution in general meeting at any time terminate the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force and effect in all other respects to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(22) RIGHTS ARE PERSONAL TO THE GRANTEE**

An Option is personal to the grantee and shall not be transferable or assignable.

**(23) LAPSE OF OPTION**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (12), (13), (14), (15), (16), (17) and (18); or (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (22) above by the grantee.

**(24) OTHERS**

- (a) The New Share Option Scheme is conditional on the passing of the necessary resolution to approve and adopt the New Share Option Scheme in general meeting of the Company and the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any Option which may be granted under the New Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (b) The New Share Option Scheme may be altered in any respect by a resolution of the Directors except that the provisions of the New Share Option Scheme as to (i) the definitions of "Eligible Participants", "Option Period" and "Termination Date" and (ii) the provisions of the New Share Option Scheme relating to the matters governed by Rule 23.03 of the GEM Listing Rules, shall not be altered to the advantage of grantees or prospective grantees except with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Shareholders under the Articles for a variation of the rights attached to the Shares.
- (c) Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (d) The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (e) Any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.



The biographical details of the Directors offered for re-election at the AGM are set out below:

**CHIU TUNG PING**

Chiu Tung Ping (“**Mr. Chiu**”), aged 62, is an executive Director, the chairman of the Board appointed on 8 June 2011 and the chief executive officer of the Group. Mr. Chiu is the chairman of the corporate governance committee of the Board. Mr. Chiu is in charge of the Group's strategic business development, executive management and monitoring of the Group's day-to-day operation. Mr. Chiu is a standing committee member of the 11th Plenary of the Chinese People's Political Consultative Conference Gansu Committee (中國人民政治協商會議甘肅省第十一屆委員會常務委員). Mr. Chiu was also the vice-chairperson of 甘肅省工商業聯合會 (unofficial English translation being Gansu Province Industrial and Commercial Industry Association). Mr. Chiu is the honorary president of the Hong Kong General Association of International Investment (香港國際投資總商會). Mr. Chiu is the spouse of Ms. Yuen Hing Lan, an executive Director.

There is no service contract between the Company and Mr. Chiu. Mr. Chiu is not appointed for a specified term and is subject to retirement by rotation and other related provisions as stipulated in the Articles. The remuneration of Mr. Chiu is HK\$30,000 per month which was determined by the Board with reference to the prevailing market conditions, his roles and responsibilities.

As at the Latest Practicable Date, Mr. Chiu was interested in 217,766,038 Shares within the meaning of Part XV of the SFO representing approximately 19.94% of the issued share capital of the Company. These Shares were held by Good Million Investments Limited, which was owned as to 70% by Mr. Chiu and 30% by Ms. Yuen Hing Lan. By virtue of Part XV of the SFO, Mr. Chiu is interested or deemed to be interested in all the Shares held by Good Million Investments Limited.

Save as disclosed above, Mr. Chiu has not held any positions with the Company and other members of the Group, nor had any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Chiu also has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas nor other major appointments and professional qualifications.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matters relating to the re-election of Mr. Chiu that need to be brought to the attention of the Shareholders.

**YUEN HING LAN**

Ms. Yuen Hing Lan (“**Ms. Yuen**”), aged 58, is an executive Director appointed on 8 June 2011 and a member of the corporate governance committee of the Board. Ms. Yuen obtained the Bachelor of Public Health from Shanxi Medical School (山西醫學院) in 1979. Ms. Yuen is experienced in corporate management.

There is no service contract between the Company and Ms. Yuen. Ms. Yuen is not appointed for a specified term and is subject to retirement by rotation and other related provisions as stipulated in the Articles. The remuneration of Ms. Yuen is HK\$10,000 per month which was determined by the Board with reference to the prevailing market conditions, her roles and responsibilities.

As at the Latest Practicable Date, Ms. Yuen was interested in 217,766,038 Shares within the meaning of Part XV of the SFO representing approximately 19.94% of the issued share capital of the Company. These Shares were held by Good Million Investments Limited, which was owned as to 30% by Ms. Yuen and 70% by Mr. Chiu Tung Ping, an executive Director and chairman of the Company. Ms. Yuen is also the spouse of Mr. Chiu Tung Ping. Accordingly, pursuant to Part XV of the SFO, Ms. Yuen is interested or deemed to be interested in all the Shares held by Good Million Investments Limited.

Save as disclosed above, Ms. Yuen has not held any positions with the Company and other members of the Group, nor had any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Ms. Yuen also has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas nor other major appointments and professional qualifications.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matters relating to the re-election of Ms. Yuen that need to be brought to the attention of the Shareholders.

#### **HU XIN**

Ms. Hu Xin (“**Ms. Hu**”), aged 31, is an executive Director appointed on 19 March 2012 and is a member of the corporate governance committee of the Board. Ms. Hu obtained her Bachelor of Management in Accounting from 重慶工學院 (unofficial English translation being Chongqing Institute of Technology, presently known as Chongqing University of Technology (重慶科技大學)). Ms. Hu has been the general accountant (總帳會計) of ST Electronics (Software Services) Ltd. (新鈞信息系統(深圳)有限公司) and involved in financial management. Ms. Hu has extensive experience in new energy power system data estimates.

There is no service contract between the Company and Ms. Hu. Ms. Hu is not appointed for a specified term and is subject to retirement by rotation and other related provisions as stipulated in the articles of association of the Company. Starting from 1 July 2013, the remuneration of Ms. Hu is HK\$15,000 per month which was determined by the remuneration committee of the Board with reference to the prevailing market conditions, her roles and responsibilities.

As at the Latest Practicable Date, Ms. Hu did not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Hu has not held any positions with the Company and other members of the Group, nor had any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Ms. Hu also has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas nor other major appointments and professional qualifications.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matters relating to the re-election of Ms. Hu that need to be brought to the attention of the Shareholders.

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## NOTICE OF THE AGM

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# CHINA TECHNOLOGY SOLAR POWER HOLDINGS LIMITED 中科光電控股有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

(stock code: 8111)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Technology Solar Power Holdings Limited (“**Company**”) will be held at Horizon Room, 7th Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Thursday, 21 August 2014 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited financial statements and the reports of the directors of the Company and the independent auditors report for the year ended 31 March 2014;
- 2A. to re-elect Mr. Chiu Tung Ping as a director of the Company;
- 2B. to re-elect Ms. Yuen Hing Lan as a director of the Company;
- 2C. to re-elect Ms. Hu Xin as a director of the Company; and
- 2D. to authorize the board of directors of the Company to fix the remuneration of the directors of the Company;
3. to re-appoint the Company’s auditors and to authorise the board of directors of the Company to fix their remuneration;

### ORDINARY RESOLUTIONS

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

4. **“THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong

\* for identification purposes only

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## NOTICE OF THE AGM

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Limited (“**GEM Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “Share”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and
  - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of 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 annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”
7. “**THAT** conditional upon the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (“**New Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 21 July 2014), the rules of the New Share Option Scheme be and are hereby approved and adopted and that the Directors be and are hereby authorised to:
- (a) administer the New Share Option Scheme under which options will be granted to eligible participants under the New Share Option Scheme to subscribe for Shares;
  - (b) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
  - (c) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme; and
  - (d) make application at the appropriate time to the Stock Exchange, and any other stock exchange upon which the Shares may for the time being be listed, for listing of, and permission to deal in, the Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme.”

By order of the Board  
**China Technology Solar Power Holdings Limited**  
**Chiu Tung Ping**  
*Chairman and executive Director*

Hong Kong, 21 July 2014

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*Registered office:*

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

*Principal place of business  
in Hong Kong:*

Room 1801  
18th Floor  
Kai Tak Commercial Building  
317 & 319 Des Voeux Road Central  
Hong Kong

As at the date of this notice, the directors of the Company are as follows:

*Executive directors:*

Chiu Tung Ping (*Chairman*)  
Zhang Shenxin (*Vice-Chairman*)  
Yuen Hing Lan  
Hou Hsiao Bing  
Hou Hsiao Wen  
Hu Xin

*Independent non-executive directors:*

Tam Kam Biu, William  
Meng Xianglin  
Dong Guangwu

*Notes:*

1. A shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at a general meeting of the Company. A proxy need not be a shareholder of the Company. In addition, a proxy shall be entitled to exercise the same powers on behalf of a shareholder which is a corporation and for which he/she/it acts as proxy as such shareholder could exercise if it were an individual shareholder.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the principal place of business of the Company in Hong Kong at Room 1801, 18th Floor, Kai Tak Commercial Building, 317 & 319 Des Voeux Road Central, Hong Kong not later than 48 hours before the time of the above meeting or any adjourned meeting.
4. In relation to proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of shares under the GEM Listing Rules. The directors of the Company have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.
5. In relation to proposed resolution numbered 5 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company.



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6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. 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.
8. In compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, all resolutions to be proposed at the meeting convened by this notice will be voted by way of poll.

*This notice will remain on the Company's website and on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited with the domain name of [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least seven days from the date of its posting.*