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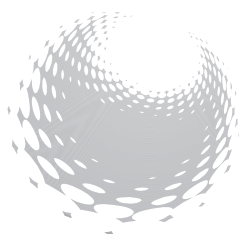
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**If you are in any doubt** about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sun.King Power Electronics Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**Sun.King Power Electronics Group Limited****賽晶電力電子集團有限公司**

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

**(Stock code: 580)**

**DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF 2010 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Sun.King Power Electronics Group Limited to be held at Building 9-A, KongGangRongHuiYuan, Yuhua Road, Tianzhu Airport Industrial Zone B, Shunyi District, Beijing, People's Republic of China on Thursday, 21 May 2020 at 10:00 a.m. is set out on pages 33 to 38 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not you intend to attend the annual general meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and deliver it and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, to the Hong Kong branch share registrar of Sun.King Power Electronics Group Limited, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting and in such event, the form of proxy shall be deemed to be revoked.

9 April 2020

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## DEFINITIONS

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

“2010 Share Option Scheme”	the share option scheme adopted by the Company 23 September 2010
“Annual General Meeting”	the annual general meeting of the Company to be held at Building 9-A, KongGangRongHuiYuan, Yuhua Road, Tianzhu Airport Industrial Zone B, Shunyi District, Beijing, PRC on Thursday, 21 May 2020 at 10:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“Company”	Sun.King Power Electronics Group Limited (賽晶電力電子集團有限公司), an exempted company incorporated with limited liability under the laws of the Cayman Islands, the issued shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	has the meaning ascribed to it under paragraph 3.1 of the principal terms of the New Share Option Scheme set out in Appendix III to this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of issued Shares as at the date of the resolution granting such general mandate

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## DEFINITIONS

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“Latest Practicable Date”	2 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting, the principal terms of which is set out in Appendix III to this circular
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out on pages 33 to 38 of this circular
“Option(s)”	the share option(s) to be granted under the New Share Option Scheme
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of the resolution granting such general mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	has the meaning ascribed to it under paragraph 3.1 of the principal terms of the New Share Option Scheme set out in Appendix III to this circular
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

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## LETTER FROM THE BOARD

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### **Sun.King Power Electronics Group Limited** **賽晶電力電子集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 580)**

*Executive Directors:*

Mr. Xiang Jie  
Mr. Gong Renyuan  
Mr. Yue Zhoumin

*Non-executive Directors:*

Mr. Yan Fuquan  
Mr. Zhu Ming  
Ms. Zhang Ling

*Independent non-executive Directors:*

Mr. Chen Shimin  
Mr. Zhang Xuejun  
Mr. Leung Ming Shu  
Mr. Zhao Hang

*Registered office:*

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

*Headquarters:*

Building 9-A  
KongGangRongHuiYuan  
Yuhua Road  
Tianzhu Airport Industrial Zone B  
Shunyi District  
Beijing  
PRC

*Principal place of business  
in Hong Kong:*

31st Floor, Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

9 April 2020

*To the Shareholders*

Dear Sir or Madam,

**DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND,  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF 2010 SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to give you further information in relation to, inter alia, the following proposals to be put forward at the Annual General Meeting: (a) the declaration of final dividend and special dividend; (b) the grant to the Directors of the Issue Mandate and the Repurchase Mandate; (c) the re-election of the retiring Directors; and (d) the adoption of the New Share Option Scheme and the termination of the 2010 Share Option Scheme.

### DECLARATION OF FINAL DIVIDEND AND SPECIAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of HK3 cents per Share for the year ended 31 December 2019 and a special dividend of HK3 cents per Share, both out of the share premium account of the Company.

Under section 34(2) of the Companies Law, the share premium account may be applied by a company in paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the payment of final dividend and special dividend out of share premium account, the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the final dividend and the special dividend are proposed to be paid.

The final dividend and special dividend are intended to be paid out entirely of the share premium account pursuant to article 134 of the Articles of Association and in accordance with the Companies Law. As at 31 December 2019, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the share premium account was RMB616,899,000. The Board proposed to use an aggregate amount of RMB95,973,600 standing to the credit of the share premium account for the payment of the final dividend and special dividend. Following such payment there will be a remaining balance of RMB520,925,400 standing to the credit of the share premium account.

#### ***Reasons for the payment of final dividend and special dividend out of the share premium account***

The Board considers it unnecessary to maintain the share premium account at its current level. The Directors consider that the declaration and proposed payment of final dividend and special dividend out of the share premium account is in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### *Effect of the payment of final dividend and special dividend out of the share premium account*

The payment of final dividend and special dividend out of the share premium account does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

The payment of final dividend and special dividend out of the share premium account will not affect the underlying business, operations or management of the Company or the proportionate interests of the Shareholders, other than related expenses incurred which are immaterial.

Save as the aforesaid expenses, the Directors consider that the payment of final dividend and special dividend out of the share premium account will not have a material adverse effect on the financial position of the Company.

The payment of final dividend and special dividend out of the share premium account is conditional upon, inter alia, the following being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders to approve the payment of final dividend and special dividend out of the share premium account; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately after the final dividend and the special dividend are paid will be, unable to pay its liabilities as they become due in the ordinary course of business.

In order to establish the identity of the Shareholders who are entitled to the proposed final dividend and special dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 3 June 2020. The register of members of the Company will be closed from Thursday, 4 June 2020 to Monday, 8 June 2020, both dates inclusive, during which period no transfer of Shares will be registered. Subject to the passing of ordinary resolution numbered 2 by the Shareholders in the Annual General Meeting, the final dividend and the special dividend are expected to be paid on or around Monday, 22 June 2020 to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 8 June 2020.

### **ISSUE MANDATE**

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Share, ordinary resolution numbered 5(a) will be proposed at the Annual General Meeting to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares up to 20% of the number of issued Shares as at the date of the resolution granting the Issue Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,599,560,000 Shares. Subject to the passing of ordinary resolution numbered 5(a) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be authorised to allot and issue a maximum of 319,912,000 Shares under the Issue Mandate.

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## LETTER FROM THE BOARD

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In addition, subject to a separate approval of ordinary resolution numbered 5(c), the number of Shares repurchased by the Company under ordinary resolution numbered 5(b) will also be added to extend the 20% limit of the Issue Mandate as mentioned in ordinary resolution numbered 5(a) provided that such additional amount shall not exceed 10% of the number of issued Shares as at the date of the resolution granting the Repurchase Mandate. The Directors have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

### **REPURCHASE MANDATE**

An ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of the resolution granting the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all reasonably necessary information to enable the Shareholders to make an informed decision as to whether to vote for or against the relevant resolution at the Annual General Meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with article 84(1) of the Articles of Association, Mr. Xiang Jie, Mr. Zhu Ming, Ms. Zhang Ling and Mr. Zhao Hang will retire by rotation and be eligible to offer themselves for re-election as the Directors at the Annual General Meeting.

The independent non-executive Director proposed for re-election at the AGM was identified by the management after having taken into account the skills and experience of the candidates. The Board considered that the appointment of Mr. Zhao Hang, who has technological expertise relevant to the Group's business, will form a balanced skill matrix beneficial to the Group's corporate governance as well as business development and thereby contribute to the diversity of the Board. The Company has received from Mr. Zhao Hang independent non-executive Director proposed for re-election an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers Mr. Zhao Hang independent under the Listing Rules.

Details of the retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF 2010 SHARE OPTION SCHEME**

#### **The 2010 Share Option Scheme**

The 2010 Share Option Scheme has a term of 10 years and will expire on 23 September 2020. As at the Latest Practicable Date, share options to subscribe for 124,783,000 Shares (excluding the share options to subscribe for 54,517,000 Shares which



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## LETTER FROM THE BOARD

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lapsed in accordance with the terms of the 2010 Share Option Scheme) had been granted by the Company, among which share options to subscribe for 54,901,000 Shares remained unexercised.

Pursuant to the terms of the 2010 Share Option Scheme, the Company by resolution in general meeting may at any time terminate the operation of the 2010 Share Option Scheme and in such event no further share options will be offered but in all other respects the provisions of the 2010 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options (to the extent not already exercised) granted prior to such termination and share options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2010 Share Option Scheme.

It is proposed that subject to the approval of the Shareholders in the Annual General Meeting, the 2010 Share Option Scheme is to be terminated upon the adoption of the New Share Option Scheme.

### **The New Share Option Scheme**

In view of the impending expiry of the 2010 Share Option Scheme and to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group, the Board proposes to recommend to the Shareholders in the Annual General Meeting to terminate the 2010 Share Option Scheme and to approve and adopt the New Share Option Scheme. The New Share Option Scheme will become effective on the date of fulfilment of the conditions as referred to under the paragraph headed “Conditions of the New Share Option Scheme” below.

As at the Latest Practicable Date, there were 1,599,560,000 Shares in issue. Assuming that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the total number of Shares to be allotted and issued upon the exercise of all Options which may be granted under the New Share Option Scheme will be 159,956,000 Shares, representing 10% of the Shares in issue as at the date of approval of the New Share Option Scheme.

There is no trustee appointed for the purposes of the New Share Option Scheme, therefore none of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme.

### **Principal terms of the New Share Option Scheme**

The principal terms of the New Share Option Scheme are set out in Appendix III to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules.

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date on which the New Share Option Scheme is adopted upon fulfilment of the conditions as referred to under the paragraph headed “Conditions of the New Share Option Scheme” below, will provide the Company with more flexibility in long term planning of granting Options to the Eligible Participants in a longer period in the future. The New Share Option Scheme does not provide for any minimum period for holding of Options

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## LETTER FROM THE BOARD

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or any performance target before exercise of Options, but the Board may include such terms at the time of the grant of any Option as incentives to the Eligible Participants for their contribution to the Group. Under the New Share Option Scheme, the Board will have discretion to determine the Subscription Price (subject to the requirements under the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Board to determine the Subscription Price will place the Group in a better position to reward the Eligible Participants that are valuable to the long-term growth and development of the Group as a whole.

### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the uncertainty pertaining to a number of variables which are crucial to the calculation of the Option value. Such variables include, but are not limited to, the exercise price, the exercise period, any minimum holding period, any performance target and other relevant variables.

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

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued by the Company upon the exercise of Options which may be granted under the New Share Option Scheme; and
- (b) the passing of the necessary resolution to (i) approve and adopt the New Share Option Scheme; (ii) authorise the Directors to grant Options under the New Share Option Scheme; (iii) authorise the Directors to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and (iv) terminate the 2010 Share Option Scheme, in general meeting or by way of written resolution of the Shareholders.

### **Document available for inspection**

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 31st Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong during normal business hours from the date hereof up to the date of the Annual General Meeting.

### **General information**

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of and permission to deal in the Shares to be allotted and issued by the Company upon the exercise of Options which may be granted under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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Upon the adoption of the New Share Option Scheme, the Company will disclose the required information in relation to the New Share Option Scheme in its subsequent annual report and interim report in accordance with the disclosure requirements under Rule 17.07 of the Listing Rules.

### NOTICE OF ANNUAL GENERAL MEETING

Set out from pages 33 to 38 of this circular is the Notice of Annual General Meeting containing, inter alia, the resolutions in relation to (a) approving the declaration of final dividend and special dividend; (b) granting the Directors the Issue Mandate and the Repurchase Mandate; (c) approving the re-election of the retiring Directors; and (d) approving the adoption of the New Share Option Scheme and the termination of the 2010 Share Option Scheme.

In order to establish the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 15 May 2020. The register of members of the Company will be closed from Monday, 18 May 2020 to Thursday, 21 May 2020, both dates inclusive, during which period no transfer of Shares will be registered. The Shareholders whose names appear on the register of members of the Company on Thursday, 21 May 2020 are entitled to attend and vote at the Annual General Meeting.

### FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed herewith. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and deliver it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof at which the person named in the form of proxy proposes to vote. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and in such event, the form of proxy shall be deemed to be revoked.

### VOTING

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, a resolution put to the vote of a general meeting is to be decided by way of a poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto at the Annual General Meeting.

### 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 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.

### RECOMMENDATION

The Directors consider that the proposed resolutions for (a) approving the declaration of final dividend and special dividend; (b) granting the Directors the Issue Mandate and the Repurchase Mandate; (c) approving the re-election of the retiring Directors; and (d) approving the adoption of the New Share Option Scheme and the termination of the 2010 Share Option Scheme are in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By order of the Board  
**Sun.King Power Electronics Group Limited**  
**Xiang Jie**  
*Chairman*

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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*The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting.*

Save as disclosed herein:

- (a) none of the following Directors had any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date;
- (b) none of the following Directors held any other position with the Company or any other member of the Group, nor has any directorship in other listed companies in the past three years from the Latest Practicable Date;
- (c) none of the following Directors had any relationship with any other Director, senior management personnel, Substantial Shareholders or controlling shareholders (as defined in the Listing Rules) of the Company at the Latest Practicable Date; and
- (d) there was no other matter relating to the following Directors which needed to be brought to the attention of the Shareholders and there was no other information relating to the following Directors which was required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (w) of the Listing Rules.

### **Mr. Xiang Jie**

Mr. Xiang Jie, aged 46, is the founder, the chairman of the Board and an executive Director. Mr. Xiang is primarily responsible for the overall corporate strategy, planning and business development of the Group. After graduating from Shanghai Maritime University (上海海事大學) in the PRC in international shipping management in 1995, Mr. Xiang obtained a master's degree in business administration from Maastricht School of Management in the Netherlands in 1999. Mr. Xiang has extensive experience in the trading and power electronics sectors.

Mr. Xiang entered into a supplemental service agreement with the Company dated 1 June 2018 for a term of three years commencing on 1 June 2018 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Xiang is entitled to receive an annual remuneration of RMB750,000 and annual allowance of HK\$100,000. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

As at the Latest Practicable Date, among the 381,958,347 Shares (including the 20,000,000 Shares which may be allotted and issued upon the exercise of the share options granted under the 2010 Share Option Scheme) in which Mr. Xiang was interested, 23,630,000 Shares were directly held by Mr. Xiang and the remaining 338,328,347 Shares were directly held by Max Vision Holdings Limited. As at the Latest Practicable Date, Max Vision Holdings Limited was wholly-owned by Jiekun Limited, which was wholly-owned by BNP Paribas Corporate Services Pte Ltd.. As at the Latest Practicable Date, BNP Paribas

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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Corporate Services Pte Ltd. was wholly owned by BNP Paribas Singapore Trust Corporation Limited, which was the trustee of a private trust of which Mr. Xiang was the settlor and his family members were the beneficiaries.

As at the Latest Practicable Date, Mr. Xiang was also interested in 20,000,000 Shares which may be allotted and issued upon the exercise of the share options granted under the 2010 Share Option Scheme.

### **Mr. Zhu Ming**

Mr. Zhu Ming, aged 42, joined the Group as a non-executive Director in October 2017. Mr. Zhu received a master's degree in accounting from the Dongbei University of Finance & Economic (東北財經大學) in December 2008. Mr. Zhu is currently the chief financial officer (財務總監) and the secretary to the board (董事會秘書) of China Hi-Tech Holding Company Limited (中國恆天控股有限公司). From February 2009 to October 2015, Mr. Zhu worked for China Hi-Tech Group Corporation (中國恆天集團有限公司) in which he assumed the positions of finance department supervisor (財務部主管) and finance department manager (財務部經理) successively.

Mr. Zhu executed an appointment letter dated 12 October 2017 for a term of three years commencing from the date of appointment and may be terminated in accordance with the terms of the appointment letter. Mr. Zhu will not receive any remuneration.

### **Ms. Zhang Ling**

Ms. Zhang Ling, aged 51, joined the Group as a non-executive Director in December 2017. Ms. Zhang is the managing director (董事總經理) of China Reform Venture Capital Investment Management (Shenzhen) Ltd. (國新風險投資管理(深圳)有限公司) and a director of China Reform Health Management and Services Group Co., Ltd. (國新健康保障服務集團股份有限公司), being a company listed on the Shenzhen Stock Exchange (stock code: 000503). Ms. Zhang obtained her Bachelor's degree in precision instrument (精密儀器系) from Tianjin University (天津大學) in 1991 and her master's degree from Guanghua School of Management of Peking University (北京大學光華管理學院) in 2000. Ms. Zhang previously worked for Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司) and China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) and was responsible for merger restructuring (併購重組) and corporate realignment (企業改制). Ms. Zhang also previously worked for Essence Securities Co., Ltd. (安信證券股份有限公司) and Huarong Securities Co., Ltd. (華融證券股份有限公司) and was responsible for the merger financing (併購融資) business, and presided over the completion of large-scale enterprise asset restructuring and integration of the industrial chain, merger of listed companies, reverse takeover and other projects. Ms. Zhang was a director of Tongling Nonferrous Metals Group Holdings Co., Ltd. (銅陵有色金屬集團控股有限公司).

Ms. Zhang executed an appointment letter dated 4 December 2017 for a term of three years commencing from the date of appointment and may be terminated in accordance with the terms of the appointment letter. Ms. Zhang will not receive any remuneration.



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## APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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### Mr. Zhao Hang

Mr. Zhao Hang, aged 65, joined the Group as an independent non-executive Director in December 2017. Mr. Zhao is a research-grade senior engineer and obtained his bachelor degree in engineering from Jilin University of Technology, the PRC (中國吉林工業大學) in July 1982. In October 2003, Mr. Zhao obtained a degree in executive master of business administration from China Europe International Business School (中歐國際工商學院). After his graduation from Jilin University of Technology, the PRC in 1982, Mr. Zhao joined the Transportation Engineering Institute of the Chinese People's Liberation Army (中國人民解放軍運輸工程學院) as an instructor until October 1987. After that, he was employed by the China Automotive Technology & Research Centre (中國汽車技術研究中心), and had since then until November 2015 held various positions therewith including centre deputy chairman, centre deputy secretary of the party committee and centre secretary of the party committee and centre chairman. Among the awards and recognitions he has received in the past, Mr. Zhao was conferred with the title of Young Technology Specialist in the Machinery Industry in the PRC (中國機械工業青年科技專家) in 1995 and received the 2004 China Automobile Manufacturing Outstanding Technology Talent Award (2004年中國汽車工業優秀科技人才獎). Mr. Zhao has been an independent non-executive director of Sinotruk (Hong Kong) Limited (中國重汽(香港)有限公司), being a company listed on the Stock Exchange (stock code: 3808) since 11 April 2016 and a director of Zhejiang Wanfeng Auto Wheel Co., Ltd., being a company listed on the Shenzhen Stock Exchange (stock code: 002085) since 29 November 2013. Mr. Zhao is also a doctoral tutor at Wuhan University of Technology, the PRC (中國武漢理工大學), and an instructor and adjunct professor at Tongji University, the PRC (中國同濟大學), Jilin University, the PRC (中國吉林大學), Jiangsu University, the PRC (中國江蘇大學) and Chongqing Jiaotong University, the PRC (中國重慶交通大學) (previously known as Chongqing Vocational College of Transportation (重慶交通學院)). In addition, Mr. Zhao was the deputy chairman and chief secretary of the China Automobile Human Resources Association (中國汽車人力資源協會), the deputy chairman of the executive committee of the Society of Automatic Engineers of China (中國汽車工業協會), the vice-president of the China Association of Automobile Manufacturers (中國汽車工業協會), the deputy chairman of the China Intelligent Transportation Systems Association (中國智能交通協會), the council member of the China Machinery Industry Federation (中國機械工業聯合會), a member of the steering committee of the National 863 Electric Vehicle Key Project (國家863 電動汽車重大專項領導小組), a member of the steering committee of the National Clean Energy Automotive Action (國家清潔汽車行動領導小組) and a member of the steering committee of the Tianjin Clean Energy Automotive Action (天津市清潔汽車行動領導小組).

Mr. Zhao executed an appointment letter dated 4 December 2017 for a term of three years commencing from the date of appointment and may be terminated in accordance with the terms of the appointment letter. Mr. Zhao will be entitled to an annual allowance of HK\$180,000, which was recommended by the remuneration committee of the Board with reference to his experience, duties and responsibilities and the prevailing market conditions and determined by the Board.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,599,560,000 Shares with nominal value of HK\$0.1 each. Subject to passing the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors will be authorised to repurchase a maximum of 159,956,000 Shares, which represent 10% of the number of issued Shares as at the date the resolution granting the Repurchase Mandate, during the period ending on the earliest of (a) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (c) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek the Repurchase Mandate from the Shareholders to enable the Directors to repurchase the Shares. Such 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 its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of the Shares will be financed out of funds legally available for the purpose of and in accordance with the Articles of Association and the laws of the Cayman Islands, such as the Company's available cash flow or working capital facilities. The Companies Law provides that the amount of capital repaid in connection with a repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of the Shares made for the purpose of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate is to be exercised in full at the current prevailing market value, there may be an adverse impact on the working capital or gearing position of the Company as compared to the position disclosed in the audited consolidated financial statements of the Company as at 31 December 2019, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would,



in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

None of the Directors and to the best of the knowledge of the Directors having made all reasonable enquiries, none of the close associates (as defined under the Listing Rules) of the Directors, have a 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, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

No core connected persons (as defined under the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Share to the Company or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

#### **TAKEOVERS CODE**

If as a result of a repurchase of 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 purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Xiang Jie was interested in 361,958,347 Shares, representing approximately 22.63% of the total issued Shares. As at the Latest Practicable Date, among the 361,958,347 Shares, 23,630,000 Shares were directly held by Mr. Xiang Jie and the remaining 338,328,347 Shares were directly held by Max Vision Holdings Limited. As at the Latest Practicable Date, Max Vision Holdings Limited was wholly-owned by Jiekun Limited, which was wholly-owned by BNP Paribas Corporate Services Pte. Ltd. As at the Latest Practicable Date, BNP Paribas Corporate Services Pte. Ltd. was wholly-owned by BNP Paribas Singapore Trust Corporation Limited, which was the trustee of a private trust of which Mr. Xiang Jie was the settlor and his family members were the beneficiaries. In the event that the Directors exercise the Repurchase Mandate in full and excluding the Shares which may be issued to Mr. Xiang Jie upon the exercise of the share options granted or to be granted to him under the 2010 Share Option Scheme, Mr. Xiang Jie's interests in the Shares will be increased to approximately 25.14% of the total issued Shares and such increase would not give rise to an obligation to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase the Shares to the

extent it will trigger the obligation under the Takeovers Code. The Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any purchase by the Company of the Shares.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if such repurchase would result in less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of a company be held by the public. The Directors do not propose to repurchase the Shares which would result in less than the prescribed minimum percentage of the Shares be held by the public.

#### SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company purchased 8,920,000 Shares at an aggregates purchase price before expenses of HK\$9,050,260 on the Stock Exchange. Details of the purchase of such Shares were as follows:

Date of Purchase	Number of Shares purchased	Price per Share		Aggregate purchase price (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
25 September 2019	82,000.00	0.94	0.94	77,080.00
26 September 2019	312,000.00	0.95	0.92	292,920.00
27 September 2019	800,000.00	0.96	0.93	754,420.00
8 October 2019	920,000.00	0.95	0.92	863,260.00
9 October 2019	484,000.00	0.96	0.93	455,640.00
10 October 2019	244,000.00	0.95	0.92	227,880.00
11 October 2019	208,000.00	0.94	0.93	193,840.00
14 October 2019	158,000.00	0.94	0.93	147,860.00
15 October 2019	342,000.00	0.95	0.94	321,520.00
16 October 2019	206,000.00	0.94	0.93	192,200.00
17 October 2019	130,000.00	0.96	0.92	121,440.00
18 October 2019	246,000.00	1.09	0.97	254,880.00
21 October 2019	70,000.00	1.01	0.99	69,680.00
22 October 2019	352,000.00	1.00	0.97	348,720.00
23 October 2019	138,000.00	1.03	0.99	140,420.00
24 October 2019	194,000.00	1.07	1.03	203,440.00
25 October 2019	162,000.00	1.11	1.06	176,800.00
28 October 2019	134,000.00	1.11	1.09	147,320.00
29 October 2019	166,000.00	1.10	1.08	181,140.00
30 October 2019	170,000.00	1.10	1.07	185,340.00
31 October 2019	126,000.00	1.10	1.08	137,340.00
1 November 2019	334,000.00	1.08	1.05	356,240.00
4 November 2019	148,000.00	1.07	1.05	156,040.00
23 December 2019	256,000.00	1.03	1.00	260,800.00
24 December 2019	144,000.00	1.05	1.02	148,120.00
27 December 2019	558,000.00	1.06	1.02	586,680.00
30 December 2019	982,000.00	1.12	1.06	1,078,240.00
31 December 2019	854,000.00	1.17	1.10	971,000.00

## SHARE PRICES

The following table shows the highest and lowest prices at which the Shares had been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
<b>2019</b>		
March	1.55	1.17
April	1.38	1.25
May	1.29	1.07
June	1.15	1.02
July	1.15	1.03
August	1.11	0.94
September	1.03	0.89
October	1.12	0.87
November	1.08	0.95
December	1.17	0.97
<b>2020</b>		
January	1.28	1.07
February	1.43	1.13
March	1.37	0.96
April (up to and including the Latest Practicable Date)	1.13	1.07

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## APPENDIX III      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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Set out below are the principal terms of the New Share Option Scheme:

### 1. CONDITIONS

1.1 The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares (representing the General Scheme Limit (as defined in paragraph 7.2)) to be allotted and issued by the Company upon the exercise of Options which may be granted under this Scheme; and
- (b) the passing of the necessary resolution to (i) approve and adopt the New Share Option Scheme; (ii) authorise the Directors to grant Options under the New Share Option Scheme; (iii) authorise the Directors to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and (iv) terminate the 2010 Share Option Scheme, in general meeting or by way of written resolution of the Shareholders.

1.2 Reference in paragraph 1.1(a) to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to the fulfilment of any condition precedent or condition subsequent.

### 2. PURPOSE, DURATION AND ADMINISTRATION

2.1 The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Eligible Participants (as defined in paragraph 3.1 below) as incentives or rewards for their contribution to the Group.

2.2 The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall (save for the grant of Options referred to in paragraph 3.2 which shall be approved in the manner referred to therein and save as otherwise provided herein) be final and binding on all persons who may be affected thereby.

2.3 Subject to paragraphs 1 and 13, the New Share Option Scheme shall be valid and effective until the close of business of the Company on the date which falls 10 years (the “**Termination Date**”) after the date on which this Scheme is adopted upon fulfilment of the condition set out in paragraph 1.1 (the “**Adoption Date**”), after which period no further Options may be issued but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

- 2.4 An Eligible Participant who accepts the offer in accordance with the terms of the New Share Option Scheme or (where the context so permits and as referred to in paragraph 5.4(a)) his personal representative (the “**Grantee**”) shall ensure that the acceptance of an offer, the holding and exercise of his Option in accordance with the New Share Option Scheme, the allotment and issue of Shares to him upon the exercise of his Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Directors may, as a condition precedent of making an offer and allotting Shares upon an exercise of an Option, require an Eligible Participant or a Grantee (as the case may be) to produce such evidence as it may reasonably require for such purpose.

### **3. GRANT OF OPTIONS**

- 3.1 Subject to paragraph 3.2, the Directors shall, in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the Adoption Date to make an offer to any person belonging to the following classes of participants (the “**Eligible Participant(s)**”) to subscribe, and no person other than the Eligible Participant named in such offer may subscribe, for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option, as determined in accordance with paragraph 4 (the “**Subscription Price**”) as the Directors shall, subject to paragraph 4, determine:
- (a) any employee (the “**Eligible Employee**”) (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest (the “**Invested Entity**”);
  - (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;
  - (c) any supplier of goods to any member of the Group or any Invested Entity;
  - (d) any customer of any member of the Group or any Invested Entity;
  - (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; and
  - (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity,

and, for the purposes of the New Share Option Scheme, the offer may be made to any company wholly-owned by one or more Eligible Participants.

The eligibility of the participants other than employees and directors of the Group will be determined by the Directors according to their potential and/or actual contribution to the development and growth of the Group.

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 falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

- 3.2 Without prejudice to paragraph 7.4 below, the making of an offer to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).
- 3.3 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 the Directors' opinion as to his contribution to the development and growth of the Group.
- 3.4 An offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares under the Option and the "**Option Period**" (which means, 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 (a) the date on which such Option lapses under the provisions of paragraph 6; and (b) 10 years from the offer date of that Option) in respect of which the offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the offer date.

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## **APPENDIX III      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

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- 3.5 An offer shall state, in addition to the matters specified in paragraph 3.4, the following:
- (a) the name, address and position of the Eligible Participant;
  - (b) the number of Shares under the Option in respect of which the offer is made and the Subscription Price for such Shares;
  - (c) the Option Period in respect of which the offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares under the Option comprised in the offer;
  - (d) the last date by which the offer must be accepted (which may not be later than 21 days from the offer date);
  - (e) the procedure for acceptance;
  - (f) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
  - (g) such other terms and conditions of the offer as may be imposed by the Directors as are not inconsistent with the New Share Option Scheme; and
  - (h) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme including, without limitation, the conditions specified in, inter alia, paragraphs 2.4 and 5.1.
- 3.6 An offer shall have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.
- 3.7 Any offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Option which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

- 3.8 Upon an offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 3.6 or 3.7, an Option in respect of the number of Shares in respect of which the offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the offer date. To the extent that the offer is not accepted within the time specified in the offer in the manner indicated in paragraph 3.6 or 3.7, it will be deemed to have been irrevocably declined.
- 3.9 The Option Period of an Option may not end later than 10 years after the offer date of that Option.
- 3.10 Options will not be listed or dealt in on the Stock Exchange.
- 3.11 For so long as the Shares are listed on the Stock Exchange:
- (a) the Company may not grant any Option after inside information has come to its knowledge until it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:
    - (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
    - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; and
  - (b) the Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

#### **4. SUBSCRIPTION PRICE**

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 8, be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the 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;



- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days (which means, a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong) immediately preceding the offer date; and
- (c) the nominal value of a Share.

## **5. EXERCISE OF OPTIONS**

- 5.1 An Option shall 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. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.
- 5.2 Unless otherwise determined by the Directors 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 target before the exercise of an Option granted to him.
- 5.3 Subject to, inter alia, paragraph 2.4 and the fulfilment of all terms and conditions set out in the offer, including the attainment of any performance target stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 5.4 and 5.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 5.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 8, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a personal representative pursuant to paragraph 5.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative as aforesaid) a share certificate for every board lot of Shares so allotted and issued and a share certificate for the balance (if any) of the Shares so allotted and issued which do not constitute a board lot.
- 5.4 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

- (a) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 5.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 5.4(c) or 5.4(d) occur during such period, exercise the Option pursuant to paragraph 5.4 (c) or 5.4 (d) respectively;
- (b) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 6.1(d) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and 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 in accordance with the provisions of paragraph 5.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 5.4(c) or 5.4(d) occur during such period, exercise the Option pursuant to paragraph 5.4(c) or 5.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;
- (c) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the 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, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the 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 accordance with the provisions of paragraph 5.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;

- (d) 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 before the date on which such resolution is to be considered and/or passed, exercise his 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 paragraph 5.3 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one day before the date on which such resolution is to be considered and/or passed whereupon he 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 the 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; and
- (e) if the Grantee is a company wholly-owned by one or more Eligible Participants:
  - (i) the provisions of paragraphs 5.4(a), 5.4(b), 6.1(d) and 6.1(e) shall apply to the Grantee and to the Options granted 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 5.4(a), 5.4(b), 6.1(d) and 6.1(e) shall occur with respect to the relevant Eligible Participant; and
  - (ii) 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.

5.5 Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the then existing 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 (the “**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 therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

**6. EARLY TERMINATION OF THE OPTION PERIOD**

6.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 5.4;
- (c) the date of commencement of the winding-up of the Company;
- (d) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds 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 arrangement or composition with his 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);
- (e) in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) (aa) such Grantee or his close associate has committed any breach of any contract entered into between such Grantee or his close associate on the one part and the Group or any Invested Entity on the other part; or (bb) such 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 creditors generally; or (cc) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above; and
- (f) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 5.1 by the Grantee in respect of that or any other Option.

6.2 A resolution of the Directors to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in paragraph 6.1(d) or that any event referred to in paragraph 6.1(e)(i) has occurred shall be conclusive and binding on all persons who may be affected thereby.

6.3 Transfer of employment of a Grantee who is an Eligible Employee from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an Eligible Employee is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

**7.    MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 7.1 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 schemes adopted by the Group shall not exceed 30% of the Share in issue from time to time. No options may be granted under the New Share Option Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph being exceeded.
- 7.2 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 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 as at the date of approval of the New Share Option Scheme, i.e. 159,956,000 Shares (the “**General Scheme Limit**”) provided that:
- (a) subject to paragraph 7.1 and without prejudice to paragraph 7.2(b), 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 limit and for the purpose of calculating the 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 New Share Option Scheme and any other share option scheme of the Group will not be counted; and
  - (b) subject to paragraph 7.1 and without prejudice to paragraph 7.2(a), the Company may seek separate shareholders’ approval in general meeting to grant Options under the New Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 7.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 7.3 Subject to paragraph 7.4, the total number of Shares allotted and issued and which may fall to be allotted and issued upon exercise of the Options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the Shares in issue. Where any further grant of Options to a Grantee under the New Share Option Scheme would result in the Shares allotted and issued and to be allotted and issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue,

such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or his associates if such Grantee is a connected person (as defined in the Listing Rules)) abstaining from voting.

7.4 Without prejudice to paragraph 3.2, where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates, would result in the Shares allotted and issued and to be allotted and 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:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the offer Date of each offer, in excess of HK\$5 million;  
such further grant of options must be approved by the Shareholders in general meeting.

7.5 For the purpose of seeking the approval of the Shareholders under paragraphs 7.2, 7.3 and 7.4, the Company must send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

## **8. ADJUSTMENTS TO THE SUBSCRIPTION PRICE**

8.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option,

and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (b) no such adjustment shall be made the effect of which would be to enable a Share to be allotted and issued at less than its nominal value;
- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of any adjustment referred to in this paragraph 8.1, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

8.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 8.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 5.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 8.1.

8.3 In giving any certificate under this paragraph 8, the auditors or the independent financial adviser appointed under paragraph 8.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **9. CANCELLATION OF OPTIONS**

9.1 Subject to paragraph 5.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.

9.2 Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the General Scheme Limit or the limits approved by the Shareholders pursuant to paragraph 7.2(a) or 7.2(b).



**10. SHARE CAPITAL**

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Option.

**11. DISPUTES**

Any dispute arising in connection with the number of Shares the subject of an Option, or any adjustment under paragraph 8.1 shall be referred to the decision of the auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

**12. ALTERATION OF THE NEW SHARE OPTION SCHEME**

12.1 Subject to paragraphs 12.2 and 12.4, the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that:

- (a) the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date”; and
- (b) the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the 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 holders of the Shares under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

12.2 Any alterations 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 shall 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.

12.3 Any change to the authority of the Directors or the administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

12.4 The amended terms of the New Share Option Scheme and/or the Options must continue to comply with the relevant rules, codes and guidance notes of the Stock Exchange from time to time.



**13. TERMINATION**

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

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## NOTICE OF ANNUAL GENERAL MEETING

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### Sun.King Power Electronics Group Limited 賽晶電力電子集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 580)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Sun.King Power Electronics Group Limited (the “**Company**”) will be held at Building 9-A, KongGangRongHuiYuan, Yuhua Road, Tianzhu Airport Industrial Zone B, Shunyi District, Beijing, People’s Republic of China on Thursday, 21 May 2020 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of directors and auditors for the year ended 31 December 2019.
2. (a) To declare a final dividend of HK3 cents per share of the Company (the “**Share(s)**”) for the year ended 31 December 2019 out of the share premium account of the Company; and  
  
(b) To declare a special dividend of HK3 cents per Share out of the share premium account of the Company.
3. (a) To re-elect the following retiring directors of the Company (the “**Directors**”):
  - (i) Mr. Xiang Jie;
  - (ii) Mr. Zhu Ming;
  - (iii) Ms. Zhang Ling; and
  - (iv) Mr. Zhao Hang; and  
(b) To authorise the board of Directors to fix the remuneration of the Directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To re-appoint Ernst & Young as the auditors of the Company, and authorise the board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
  - (a) **“That:**
    - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional Shares in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into the Shares) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
    - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
    - (iii) the number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (A) a Rights Issue (as hereinafter defined); or (B) the grant or exercise of any share option under the share option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of the Shares or rights to acquire the Shares; or (C) any scrip dividend or similar arrangements providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the articles of association of the Company (the **“Articles of Association”**); or (D) any issue of the Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into the Shares, shall not exceed 20% of the number of issued Shares as at the date of this resolution and the approval shall be limited accordingly;

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## NOTICE OF ANNUAL GENERAL MEETING

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(iv) for the purpose of this resolution:–

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

- (1) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
- (3) the date on which such authority is revoked or varied by ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting; and

(B) “**Rights Issue**” means an offer of the Shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for the Shares open for a period fixed by the Directors to holders of the Shares in the capital of the Company whose names appear on the register of shareholders on a fixed record date in proportion to their holdings of the Shares (subject to such exclusion 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 or requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(b) “**That:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under The Codes on Takeovers and Mergers and Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the number of the Shares, which may be repurchased pursuant to the approval in paragraph (i) above, shall not exceed 10% of the number of issued Shares as at the date of this resolution and the approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:–

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

- (A) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
  - (C) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.”
- (c) “**That** conditional upon ordinary resolutions numbered 5(a) and 5(b) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements and options which may require the exercise of such powers pursuant to ordinary resolution numbered 5(a) set out in this notice be and is hereby extended by the addition to the total number of issued Shares which may be allotted by the Directors pursuant to such general mandate the number of issued Shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(b) set out in this notice, provided that such amount shall not exceed 10% of the number of issued Shares as at the date of ordinary resolution numbered 5(b).”

6. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

- (a) “**That:** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be allotted and issued by the Company upon the exercise of share options which may be granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which is tabled at the Annual General Meeting and marked “A” and initialled by the chairman of the Annual General Meeting

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## NOTICE OF ANNUAL GENERAL MEETING

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for identification purpose, the New Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme under which share options will be granted to the Eligible Participants (as defined in the New Share Option Scheme) to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
  - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange;
  - (iii) to allot and issue from time to time such number of Shares as may be required to be allotted and issued upon the exercise by the grantees of the share options which may be granted under the New Share Option Scheme;
  - (iv) to make application to the Stock Exchange for the listing of and permission to deal in any Shares which may hereafter be allotted and issued upon the exercise by the grantees of the share options which may be granted under the New Share Option Scheme; and
  - (v) to consent, if they so deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”
- (b) “**That** subject to and conditional upon the New Share Option Scheme becoming effective, the share option scheme adopted by the Company on 23 September 2010 be and is hereby terminated.”

By order of the board of Directors  
**Sun.King Power Electronics Group Limited**  
**Xiang Jie**  
*Chairman*

Hong Kong, 9 April 2020

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*

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

*Headquarters:*

Building 9-A  
KongGangRongHuiYuan  
Yuhua Road  
Tianzhu Airport Industrial  
Zone B  
Shunyi District  
Beijing  
People's Republic of China

*Principal place of business*

*in Hong Kong:*  
31st Floor, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

*Notes:*

1. Any Shareholder entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder.
2. Where there are joint holders of any Share any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. The form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding the Annual General Meeting or any adjournment thereof at which the person named in the form of proxy proposes to vote. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof (as the case may be) should you so wish and in such event, the form of proxy will be deemed to have been revoked.
4. In order to establish the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 15 May 2020. The register of members of the Company will be closed from Monday, 18 May 2020 to Thursday, 21 May 2020, both dates inclusive, during which period no transfer of Shares will be registered.
5. The board of directors of the Company has recommended the payment of final dividend of HK3 cents per Share for the year ended 31 December 2019 and special dividend of HK3 cents per Share. Conditional upon the passing of ordinary resolution numbered 2 by the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 4 June 2020 to Monday, 8 June 2020, both dates inclusive, during which period no transfer of Shares will be registered and the final dividend and the special dividend are expected to be paid on or around Monday, 22 June 2020 to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 8 June 2020. In order to establish the identity of the Shareholders who are entitled to the proposed final dividend and special dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 3 June 2020.
6. The form of proxy for the use at the Annual General Meeting is enclosed herewith.

*As at the date of this notice, the executive Directors are Mr. Xiang Jie, Mr. Gong Renyuan and Mr. Yue Zhoumin; the non-executive Directors are Mr. Yau Fuquan, Mr. Zhu Ming and Ms. Zhang Ling; and the independent non-executive Directors are Mr. Chen Shimin, Mr. Zhang Xuejun, Mr. Leung Ming Shu and Mr. Zhao Hang.*