

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

If you have sold or transferred all your shares in Productive Technologies Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Innovativity To Productivity

**PRODUCTIVE TECHNOLOGIES COMPANY LIMITED**

**普達特科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

**CONNECTED TRANSACTION INVOLVING THE  
PROPOSED GRANT AND ISSUE OF CONNECTED SHARES UNDER  
THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE;  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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



**建泉融資有限公司  
VBG Capital Limited**

A letter from the board of directors of the Company is set out on pages 4 to 11 of this circular. A notice convening the special general meeting of the Shareholders of the Company to be held at 10:00 a.m. on Tuesday, 27 September 2022 at United Conference Centre Limited — Room 2, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong or any adjournment thereof (the “SGM”) is set out on pages 33 to 35 of this circular.

A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time of the meeting (i.e. before 10:00 a.m. on Sunday, 25 September 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

**PRECAUTIONARY MEASURES FOR THE SGM**

Please see page ii of this circular for measures being taken at the SGM to try to prevent and control the spread of the Novel Coronavirus (COVID-19), which all persons attending the SGM are required to comply with, including but not limited to:

1. body temperature screening/checks;
2. scanning the “LeaveHomeSafe” venue QR code;
3. complying with the requirements of the “Vaccine Pass Direction”<sup>#</sup>;
4. wearing of surgical face mask;
5. attendees will be assigned to a designated seating area and the seating capacity will also be limited to ensure social distancing;
6. no refreshment will be served; and
7. complying with the requirements of the venue where the SGM will be held.

<sup>#</sup> “Vaccine Pass Direction” is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong).

Any person who (a) does not comply with any of the precautionary measures above; (b) is subject to any HKSAR Government prescribed quarantine or has close contact with any person under quarantine; or (c) has any flu-like symptoms may be denied entry to the SGM venue at the absolute discretion of the Company.

For the health and safety of shareholders, the Company encourages shareholders to exercise their right to vote at the SGM by appointing the chairman of the SGM as their proxy and to return their proxy forms by the time specified above, instead of attending the SGM in person.

In view of the evolving COVID-19 pandemic situation in Hong Kong, the Company may implement further procedures and precautionary measures and change the SGM arrangements at short notice. Shareholders should visit the Company’s website at <https://www.pdt-techs.com/> for future announcements and updates on the SGM arrangements.

\* For identification purpose only

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## PRECAUTIONARY MEASURES FOR THE SGM

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the SGM to protect attending Shareholders, staff and stakeholders from the risk of infection including, without limitation:

1. body temperature screening/checks;
2. scanning the “LeaveHomeSafe” venue QR code;
3. complying with the requirements of the “Vaccine Pass Direction”<sup>#</sup>;
4. wearing of surgical face mask;
5. attendees will be assigned to a designated seating area and the seating capacity will also be limited to ensure social distancing;
6. no refreshment will be served; and
7. complying with the requirements of the venue where the SGM will be held.

<sup>#</sup> “Vaccine Pass Direction” is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong).

In the interest of all stakeholders’ health and safety and in accordance with recent guidelines for prevention and control of the spread of COVID-19, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person, by completing and returning the form of proxy attached to this circular.

If any Shareholder chooses not to attend the SGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our registered office or to our email at [ir@pdt-techs.com](mailto:ir@pdt-techs.com).

If any Shareholder has any question relating to the SGM, please contact Computershare Hong Kong Investor Services Limited, the Company’s share registrar as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen’s Road East, Wanchai  
Hong Kong  
Email: [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk)  
Tel: (852) 2862 8555  
Fax: (852) 2865 0990

## **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 and its subsidiaries. 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.

## DEFINITIONS

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

“Administration Committee”	a sub-committee of the Board, which shall act upon the instruction of the Board from time to time, delegated with the power and authority by the Board to administer the Share Award Scheme
“Announcement”	the announcement of the Company dated 1 August 2022 in relation to, among other things, the grant of Awarded Shares and the proposed issue of new Shares under the Share Award Scheme
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Awarded Shares”	such Share(s) administered under the Share Award Scheme which, as determined by the remuneration committee of the Company (subject to the approval of the Board), may be (i) issued as new Shares by the Company to the Trustee or (ii) purchased by the Trustee on the market, to be held on trust for the selected participants, in either case out of cash paid by the Company by way of settlement to the Trustee pursuant to the terms of the Share Award Scheme
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended, modified or otherwise supplemented from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Productive Technologies Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Grantee”	Dr. Liu Erzhuang, an executive Director, chairman of the Board and Chief Executive Officer of the Company
“Connected Shares”	61,415,094 Awarded Shares proposed to be granted to the Connected Grantee pursuant to the Share Award Scheme
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“Eligible Participant”	any person belonging to the following classes of participants: (i) any executives, officers, employees, directors (including executive, non-executive and independent non-executive Directors) of the Company or of any subsidiary, whether full time or part time (a “ <b>Category A Eligible Participant</b> ”); (ii) any holder of any securities issued by any member of the Company and its subsidiaries or any controlling shareholder (a “ <b>Category B Eligible Participant</b> ”); (iii) any business or joint venture partner, contractor, agent or representative, any person provides research development or technological support or any advisory, consultancy, professional services to the business of the Company and its subsidiaries, any investor, vendor, supplier, developer or licensor, any customer, licensee (including any sub-licensee), wholesaler, retailer, trader or distributor of goods or services of any member of the Company and its subsidiaries (a “ <b>Category C Eligible Participant</b> ”); each of which having contributed or will contribute to the growth and development of the Company and its subsidiaries
“Grantees”	the Non-connected Grantees and the Connected Grantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee comprising all the independent non-executive Directors established to provide recommendations to the Independent Shareholders in connection with the proposed grant of the Connected Shares
“Independent Financial Adviser”	VBG Capital Limited, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed grant of the Connected Shares
“Independent Shareholders”	independent Shareholders other than the Connected Grantee and his associates
“Latest Practicable Date”	31 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

## DEFINITIONS

“Non-connected Grantees”	14 employees of the Company belonging to Category A Eligible Participants, who, to the Directors’ best knowledge, information and belief having made all reasonable enquiries, are not connected with the Company and its connected persons as at the Latest Practicable Date
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be held at 10:00 a.m. on Tuesday, 27 September 2022 at United Conference Centre Limited — Room 2, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong or any adjournment thereof
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Board on 6 August 2021
“Shareholder(s)”	the shareholder(s) of the Company
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the SGM to grant the authority to the Board for the allotment and issue of the Connected Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Trustee”	Tricor Trust (Hong Kong) Limited, or other trustee or trustees (which is or are independent of and not connected with the Company) as shall be appointed pursuant to and in accordance with the terms of the trust deed
“%”	per cent



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**PRODUCTIVE TECHNOLOGIES COMPANY LIMITED**

**普達特科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

*Executive Directors:*

Liu Erzhuang (*Chairman*)

Tan Jue

Liu Zhihai

*Non-executive Director:*

Shong Hugo

*Independent Non-executive Directors:*

Ge Aiji

Shi Cen

Chau Shing Yim David

*Principal Place of Business  
in Hong Kong:*

Unit 5507

55/F, The Center

99 Queen's Road Central

Hong Kong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

6 September 2022

*Dear Shareholder(s),*

**CONNECTED TRANSACTION INVOLVING THE  
PROPOSED GRANT AND ISSUE OF CONNECTED SHARES UNDER  
THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE;  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with, among other things, (i) details of the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder, including the allotment and issue of the Connected Shares, (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Connected Shares, and (iv) a notice of the SGM to consider and, if thought fit, to approve the resolutions in relation to the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder, including the allotment and issue of the Connected Shares.

\* For identification purposes only



## LETTER FROM THE BOARD

### 2. CONNECTED TRANSACTION INVOLVING THE PROPOSED GRANT AND ISSUE OF CONNECTED SHARES UNDER THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE

#### (1) Grant of Awarded Shares

Reference is made to the Announcement in relation to, among others, the grant of the Awarded Shares and the proposed grant of Connected Shares under the Share Award Scheme.

On 1 August 2022, the Board resolved to grant an aggregate of 89,924,094 Awarded Shares, among which, (i) 28,509,000 Awarded Shares are granted to the Non-connected Grantees, and (ii) 61,415,094 Awarded Shares are proposed to be granted to the Connected Grantee pursuant to terms of the Share Award Scheme at nil consideration, subject to the acceptance by each of the Grantees, as incentives for their continuing and/or future contributions to the Company and its subsidiaries.

Under the Share Award Scheme, as the Awarded Shares are to be made as Awards by the Administration Committee, the Awarded Shares shall be granted to the Grantees for nil consideration. The new Shares to be allotted and issued to satisfy the grant of the Awarded Shares shall be held on trust by the Trustee for the Grantees until such Awarded Shares are vested with the relevant Grantees in accordance with the Share Award Scheme and the Trust Deed. As such, no funds will be raised by the Company as a result of the allotment and issue of the new Shares. Pursuant to the Share Award Scheme, the Trustee shall not exercise any voting rights in respect of the Awarded Shares held by it. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Trustee (or its nominee) and its ultimate beneficial owners are third parties independent of the Company and its connected persons as at the Latest Practicable Date.

#### (2) Grant of Connected Shares to the Connected Grantee

Details of the Connected Shares to be allotted and issued are set out below:

Name of the Connected Grantee	Number of Awarded Shares
Dr. Liu Erzhuang ( <i>Executive Director, chairman of the Board and Chief Executive Officer</i> )	61,415,094

As at the Latest Practicable Date, the Company had granted 60,000,000 Awarded Shares to the Connected Grantee. The proposed grant of 61,415,094 Awarded Shares to the Connected Grantee is therefore beyond the existing individual limit of 1% of the issued share capital of the Company as at the adoption date under the Share Award Scheme (i.e. 68,917,099 Shares).

## LETTER FROM THE BOARD

The 60,000,000 Awarded Shares granted to the Connected Grantee on 7 October 2021 shall be vested in five equal tranches on 30 June 2022, 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026, respectively.

The Connected Shares to be granted to the Connected Grantee shall be vested in five equal tranches on 8 August 2023, 8 August 2024, 8 August 2025, 8 August 2026, and 8 August 2027, respectively.

The vesting of the 60,000,000 Awarded Shares and the Connected Shares is subject to the satisfaction of vesting conditions specified by the Board or the Administration Committee in the award notice issued to the Connected Grantee.

### ***The Connected Shares***

The Connected Shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue. The 61,415,094 Connected Shares to be allotted and issued by the Company represent: (i) approximately 0.81% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 0.80% of the total issued share capital of the Company as enlarged by the allotment and issue of the Awarded Shares under the Share Award Scheme, assuming there is no other change in the issued share capital of the Company from the Latest Practicable Date up to the issue date of the Awarded Shares, other than the allotment and issue of the Awarded Shares.

### ***Value of the Connected Shares***

Based on the closing price of HK\$1.2 per Share as quoted on the Stock Exchange as at the date of the Announcement, the market value of the Connected Shares is HK\$73,698,113. The aggregate nominal value of the Connected Shares is HK\$614,151. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of the Announcement as quoted on the Stock Exchange is approximately HK\$1.218 per Share.

The Board shall cause to be paid the subscription money of HK\$614,151 for the Connected Shares, representing the nominal value of the Connected Shares multiplied by the number of Connected Shares to be allotted and issued, from the Company's internal resources to the Trustee. Upon allotment and issue of the Connected Shares, the Trustee will hold such Shares on trust for the Connected Grantee and will transfer the Connected Shares to the Connected Grantee at nil consideration upon vesting and settlement of the Connected Shares. Accordingly, no funds will be raised from the allotment and issue of the Connected Shares. The Company has not conducted any equity fund raising activities for the twelve months immediately before the Latest Practicable Date.

## LETTER FROM THE BOARD

### *Conditions precedent*

The Connected Shares to be granted to the Connected Grantee shall be satisfied by allotment and issue of 61,415,094 Awarded Shares to the Trustee as fully paid at nominal value pursuant to the terms of the Share Award Scheme under the Specific Mandate, which shall be conditional upon the following: (i) the Independent Shareholders having passed all necessary resolutions at the SGM approving the grant of Connected Shares to the Connected Grantee and the transactions contemplated thereunder; (ii) the Stock Exchange having granted the approval for the listing of, and permission to deal in such Connected Shares; and (iii) the fulfilment of the conditions set out in the Share Award Scheme.

### *Specific Mandate*

The Connected Shares to the Connected Grantee shall be allotted and issued under the Specific Mandate to be granted to the Directors at the SGM.

### *Application for listing*

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 61,415,094 Connected Shares to be allotted and issued.

### **(3) Reasons for and Benefits of the Grant of Connected Shares and the Basis of Determination for the Connected Shares**

The Company is engaged in advanced manufacturing of productivity-driven equipment applied in semiconductor and solar power businesses. It also operates an oil and gas production project in China.

The Connected Grantee joined the Company in June 2021 as executive vice president and was subsequently appointed as the president on 1 December 2021, the chief executive officer on 13 May 2022 and an executive Director and the chairman of the Board on 19 August 2022. He takes the pilot role and is the leader of the new semiconductor and solar power equipment businesses of the Company where the Company now puts efforts and resources. Under the leadership of the Connected Grantee, the Company has successfully penetrated into the said new businesses and attained the following advancements in 2022: (i) in January 2022, the Company entered into a manufacturing and supply agreement with a German partner, pursuant to which the Company shall manufacture and supply to the German partner the selected wet chemical and similar equipment for a term of five years; (ii) in February 2022, the Company entered into an investment agreement with Xuzhou National High-tech Industrial Development Zone Management Committee, pursuant to which the Company will set up a foreign-invested project company to engage in the construction of semiconductor and solar cell cleaning equipment production lines; (iii) in April 2022, the Company received a purchase order from a customer, pursuant to which the customer agreed to buy two units of single wafer wet processing equipment from the Company and its subsidiaries; and (iv) in June 2022, the Company and its subsidiaries, as the purchaser, entered into a sale and purchase agreement with RENA Technologies

## LETTER FROM THE BOARD

GmbH, pursuant to which the Company has conditionally agreed to purchase, and RENA Technologies GmbH has conditionally agreed to sell the entire equity interest in Shanghai Rena Trading Co., Ltd. (上海瑞耐貿易有限責任公司) and Rena Solar Technologies (Yiwu) Co., Ltd. (瑞納太陽能科技(義烏)有限公司), the completion of which took place on 18 August 2022. For details, please refer to the announcements of the Company dated 28 January 2022, 4 February 2022, 19 April 2022, 30 May 2022, 2 June 2022, 13 June 2022 and 18 August 2022.

The Board is of the view that the grant of the Awarded Shares to the Connected Grantee is to (i) recognize his contributions made to the Company and its subsidiaries; (ii) encourage, motivate and retain the Connected Grantee, whose contributions are beneficial to the continual operation, development and long-term growth of the Company and its subsidiaries, especially to the semiconductor and solar power equipment business; and (iii) provide additional incentive for the Connected Grantee to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and its subsidiaries and aligning the interests to the Shareholders through ownership of Shares. The performance goals of the Connected Grantee, which form part of the vesting conditions, include operational indicators, such as targets for sales revenue, purchase orders and gross profit margin of semiconductor and solar power equipment, design of certain tool, etc.

### 3. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 7,564,447,056 Shares in issue.

The shareholding effects of the grant of Awarded Shares as at the Latest Practicable Date and immediately after the allotment, issue and full vesting of the Awarded Shares (assuming no other change in the issued share capital of the Company other than the allotment, issue and full vesting of the Awarded Shares) are set forth below:

Name	As at the Latest Practicable Date		Immediately after the allotment, issue and full vesting of the Awarded Shares	
	Number of ordinary Shares	Percentage of the issued ordinary Shares	Number of ordinary Shares	Percentage of the issued ordinary Shares
Titan Gas Technology Investment Limited	2,508,745,828	33.16%	2,508,745,828	32.78%
Foxconn Subscribers (Note 1)	1,485,000,000	19.63%	1,485,000,000	19.40%
Liu Erzhuang (Note 2)	98,207,548	1.30%	159,622,642	2.09%
Public Shareholders	<u>3,472,493,680</u>	<u>45.91%</u>	<u>3,501,002,680</u>	<u>45.74%</u>
<b>Total</b>	<u><u>7,564,447,056</u></u>	<u><u>100%</u></u>	<u><u>7,654,371,150</u></u>	<u><u>100%</u></u>

## LETTER FROM THE BOARD

### *Notes:*

1. The Foxconn Subscribers are Foxconn Technology Pte. Ltd., High Tempo International Limited, World Trade Trading Limited, Q-Run Holdings Limited and Q-Run Far East Corporation, respectively. Each of the Foxconn Subscribers holds 297,000,000 Shares.
2. As at the Latest Practicable Date, Dr. Liu Erzhuang is an executive Director, chairman of the Board and Chief Executive Officer of the Company.

#### **4. LISTING RULES IMPLICATIONS**

The Connected Grantee is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Therefore, the proposed grant of the Connected Shares constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement, and the Independent Shareholders' approval under the Listing Rules.

As at the date of the Announcement, none of the then Directors was or was deemed to have a material interest in the Board resolution approving the proposed grant of the Connected Shares pursuant to the Share Award Scheme.

As at the Latest Practicable Date, the Connected Grantee can exercise voting power in respect of 50,207,548 Shares at the SGM, representing approximately 0.66% of the entire issued share capital of the Company. As the Connected Grantee has a material interest in the resolution at the SGM to approve the proposed grant of the Connected Shares under the Share Award Scheme, he will abstain from voting on such resolution. To the best knowledge, information and belief of the Directors, save for the Connected Grantee, no other Shareholder is required to abstain from voting on the resolutions to approve the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder at the SGM, including the issue and allotment of the Connected Shares.

#### **5. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders on the proposed grant of Connected Shares to the Connected Grantee, the Specific Mandate and the transactions contemplated thereunder.

VBG Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of Connected Shares to the Connected Grantee, the Specific Mandate and the transactions contemplated thereunder.

## LETTER FROM THE BOARD

### 6. THE SGM

The notice of the SGM is set out from pages 33 to 35 of this circular. The SGM will be held at 10:00 a.m. on Tuesday, 27 September 2022 at United Conference Centre Limited — Room 2, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong for the purpose of considering, and if thought fit, approve the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder, including the issue and allotment of the Connected Shares.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. before 10:00 a.m. on Sunday, 25 September 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a meeting shall be decided by way of a poll. Accordingly, the resolutions put forward to the SGM will be voted by way of poll.

### 7. CLOSURE OF REGISTER OF MEMBERS

To ascertain the Shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 22 September 2022 to Tuesday, 27 September 2022 (both dates inclusive) during which period no share transfers can be registered. In order to be eligible to attend and vote at the SGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 21 September 2022.

### 8. RECOMMENDATION

The Directors (including three independent non-executive Directors, whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular) consider that the proposed grant of Connected Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder, including the issue and allotment of the Connected Shares.

## LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Financial Adviser, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Connected Shares, and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from the Independent Financial Adviser is set out on pages 13 to 25 of this circular.

Yours faithfully,  
By order of the Board  
**Liu Erzhuang**  
*Chairman and Chief Executive Officer*



Innovativity To Productivity

**PRODUCTIVE TECHNOLOGIES COMPANY LIMITED**

**普達特科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

6 September 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION INVOLVING THE  
PROPOSED GRANT AND ISSUE OF CONNECTED SHARES UNDER  
THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE**

We refer to the circular (the “**Circular**”) dated 6 September 2022 issued by the Company of which this letter forms part. Capitalized terms used in this letter have the same meanings as those defined in the Circular unless specified otherwise.

We have been formed to advise the Independent Shareholders in connection with the proposed grant of the Connected Shares. VBG Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 13 to 25 of the Circular. Your attention is also drawn to the letter from the Board, letter from the Independent Financial Adviser and the additional information set out in the appendix of the Circular.

After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we consider that the proposed grant of the Connected Shares is not in the ordinary and usual course of business of the Company but is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders should vote in favour of the resolutions to be proposed at the SGM to approve the Specific Mandate, the proposed grant of the Connected Shares and the transaction contemplated thereunder, including the issue and allotment of the Connected Shares.

Yours faithfully

For and on behalf of the

**Independent Board Committee**

**Ge Aiji**

**Shi Cen**

**Chau Shing Yim David**

*Independent Non-executive Directors*

\* For identification purposes only



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Connected Shares for the purpose of inclusion in this circular.*



建泉融資有限公司  
VBG Capital Limited

21/F., Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

6 September 2022

*To: The independent board committee and the independent shareholders  
of Productive Technologies Company Limited*

Dear Sirs,

### **CONNECTED TRANSACTION INVOLVING PROPOSED GRANT AND ISSUE OF NEW SHARES TO A CONNECTED PERSON UNDER THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Connected Shares, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 6 September 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 6 August 2021, the Company adopted the Share Award Scheme. Pursuant to the terms of the Share Award Scheme, on 1 August 2022, the Board resolved, among other things, to grant a total of 61,415,094 Awarded Shares to the Connected Grantee at nil consideration by way of issue and allotment of new Shares under the Specific Mandate. As the Connected Grantee is a connected person of the Company, the grant of the Connected Shares constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders’ approval requirements.

The Independent Board Committee comprising Ms. Ge Aiji, Mr. Shi Cen and Mr. Chau Shing Yim David (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the grant of the Connected Shares are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the grant of the Connected Shares is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the grant of the Connected Shares at the

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

SGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

### **BASIS OF OUR OPINION**

In formulating our opinion with regard to the grant of the Connected Shares, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all aspects until the date of the SGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, the Connected Grantee or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the grant of the Connected Shares. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update, revise or reaffirm this opinion to take into account events occurring after the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent investigation into the accuracy and completeness of such information.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the grant of the Connected Shares, we have taken into consideration the following principal factors and reasons:

### 1. Background of and reasons for the grant of the Connected Shares

#### *Financial and business overview of the Group*

Set out below is a summary of the audited consolidated financial information of the Group for the two financial years ended 31 March 2022 as extracted from the Company's annual report for the financial year ended 31 March 2022:

	<b>For the financial year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from continuing operations	138,326	90,008
Loss for the year from continuing operations	(482,978)	(359,361)

As depicted by the above table, the Group's revenue from continuing operations (being the oil and gas business segment) increased considerably by approximately 53.7% from approximately HK\$90.0 million for the financial year ended 31 March 2021 to approximately HK\$138.3 million for the financial year ended 31 March 2022. However, owing to the unstable oil market condition, the oil and gas business segment recorded substantial loss of approximately HK\$483.0 million and HK\$359.4 million, respectively, for the financial years ended 31 March 2022 and 2021. In this relation, the Group has deployed measures to stabilize production such as old well construction and fracturing in 2021 and engaged in oil hedging in 2022 to protect cash flow.

To further revitalize the Group's financial performance, the Company has been actively considering the opportunity for business diversification. After careful evaluation, the Company considered that the application of advanced manufacturing will be a major global development trend. The advanced manufacturing sector features a wide range of applications across different industries, and the Company has been reviewing the semiconductor industry in China and the global market. To capture the market potentials, the Company has expanded its footprints in the manufacturing of productivity-driven equipment for semiconductor and solar power since 2021. To minister the development of such new businesses, the Company has introduced new experts into its management team. Dr. Liu Erzhuang, i.e. the Connected Grantee, takes the pilot role and led and recruited the new team. Most of his team members hold a master's degree or above, and possess outstanding technical and management expertise with long working experience in world-wide top-tier semiconductor related companies, such as Lam Research Corporation ("Lam Research") and Taiwan Semiconductor Manufacturing Co., Ltd.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

At present, the Group is engaged in advanced manufacturing of productivity-driven equipment applied in semiconductor and solar power businesses. It also operates an oil and gas production project in the PRC. As advised by the Directors, while endeavoring to develop the new semiconductor and solar power equipment businesses, the Group will try to combat the challenges arising in the oil and gas market by purchasing additional hedging instruments, maintaining asset liquidity, expanding future oil production as well as providing tailor-made gas supply services to its customers.

### *Prospects of the semiconductor industry*

For our due diligence purpose, we have independently researched for information regarding the prospects of the semiconductor industry. Among the information available on the internet, we selected the relatively comprehensive and recent information from, to the best of our knowledge, authoritative sources, and ensured that such information has been correctly and fairly extracted, reproduced or presented. Based on our research, the Semiconductor Industry Association of the United States (“SIA”) announced in February 2022 that the global semiconductor industry sales totalled approximately United States dollar (USD) 555.9 billion in 2021, the highest-ever annual total and an increase of approximately 26.2% as compared to 2020. The industry shipped a record of approximately 1.2 trillion semiconductor units in 2021, as chip companies ramped up production to address high demand amid the global chip shortage.

In addition, according to SIA, on a regional basis, sales into the Americas market saw the largest year-on-year increase (approximately 27.4%) in 2021. China remained the largest individual market for semiconductors, with sales reaching approximately USD192.5 billion in 2021, an increase of approximately 27.1% as compared to 2020. Annual sales likewise increased in 2021 in Europe (approximately 27.3%), Asia Pacific/ All other (approximately 25.9%) and Japan (approximately 19.8%). Several semiconductor product segments stood out in 2021. Analog, a type of semiconductor that is commonly used in vehicles, consumer goods, and computers, had the highest annual growth rate of approximately 33.1%. Logic and memory were the largest semiconductor categories by sales. Annual sales of logic products increased by approximately 30.8% as compared to 2020, whereas sales of memory products were up by approximately 30.9%.

On the other hand, we noted from our independent research that the Chinese government has focused on the semiconductor industry and made it a national priority in its 14th Five Year Plan targeting 70% import replacement by 2025 and complete import substitution by 2030. To expand the domestic production of semiconductors for achieving the aforesaid targets, the Chinese government is continuously taking serious initiatives, for example by investing USD150 billion from 2014 through 2030 into the semiconductor industry. The government’s strong support, lower costs along with supplementary supply chain efficiency and the digitalization trends are fuelling the China semiconductor industry growth. As a result of the growing popularity of electric vehicles and the introduction of 5G network technologies in China, demand for semiconductors is also expected to surge in the near future.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Biographical details of the Connected Grantee and his contribution to the Group*

Extracted below is the biographical details of the Connected Grantee that we requested and obtained from the Company:

Dr. Liu Erzhuang, aged 58, is a Singapore national who has extensive experience in the semiconductor industry. From 1993 to 2002, Dr. Liu held different engineering and operations management positions in Chartered Semiconductor Manufacturing Ltd. From 2002 to 2004, he served as the director of operations of Shanghai Advanced Semiconductor Co., Ltd. From 2004 to 2012, he served as the deputy general manager in China of Lam Research. From 2012 to 2014, he served as the general manager in China of Cree LED, and was responsible for sales in China and Hong Kong, and oversaw the operation of two factories in Huizhou, the PRC, with 3,000 employees. From 2014 to 2020, Dr. Liu re-joined Lam Research and served as the corporate vice president and general manager of China. From 2020 to 2021, he served as the executive vice president of Tsinghua Unigroup.

Dr. Liu graduated from the Xi'an Jiaotong University, majoring in semiconductor physics and devices, and received a Ph.D. from the University of Dundee in the United Kingdom. He is also a postdoctoral fellow at Harvard University in the United States and received a MBA from the National University of Singapore.

Dr. Liu joined the Company in June 2021 as executive vice president and was subsequently appointed as President on 1 December 2021, Chief Executive Officer on 13 May 2022 and executive Director and Chairman of the Board on 19 August 2022. He is primarily responsible for the Company's overall business development, growth strategies, business operation, human resource management, as well as corporate governance. In particular, Dr. Liu is the leader of the new semiconductor and solar power equipment businesses of the Group. Under the leadership of Dr. Liu, the Group has successfully penetrated into the said new businesses and attained the following advancements in the first half of 2022:

Month (2022)	Event
January	<p>The Company entered into a manufacturing and supply agreement (the “<b>Manufacturing Agreement</b>”) with a German partner (the “<b>German Partner</b>”), which is principally engaged in manufacturing wet processing equipment for solar cell.</p> <p>Pursuant to the Manufacturing Agreement, the Company shall manufacture and supply to the German Partner the selected wet chemical and similar equipment for a term of five years commencing before February 2022. The German Partner will grant an exclusive and royalty-free license to the Company to use its manufacturing know-how during the term of the Manufacturing Agreement.</p>

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Month (2022)	Event
February	<p>The Group entered into an investment agreement and related supplemental agreement (the “<b>Investment Agreement</b>”) with Xuzhou National High-tech Industrial Development Zone Management Committee (“<b>Xuzhou High-tech Zone</b>”) in relation to the research, development and manufacturing project of semiconductor and pan-semiconductor wet cleaning equipment (the “<b>Project</b>”).</p> <p>Pursuant to the Investment Agreement, the Company will set up a foreign-invested project company within two months after execution of the Investment Agreement to engage in the construction of semiconductor and solar cell cleaning equipment production lines. For the purpose of supporting the development of the Project, Xuzhou High-tech Zone will provide selected locations with usable area of approximately 21,600 square meters and other necessary economic support. The production lines were put into operation in early May 2022 and the first solar cell wet processing equipment was rolled out on 2 June 2022.</p>
April	<p>The Group received purchase order (the “<b>PO</b>”) from a customer which is based in Guangdong, the PRC (the “<b>Customer</b>”). The Customer was co-founded by a domestic auto manufacturer and is principally engaged in manufacturing and developing silicon carbide wafers in the automotive and industrial control fields. It also provides chip manufacturing foundry services for internet download manager, design companies, automotive and industrial end customers in the field of new energy vehicles and industrial control.</p> <p>Pursuant to the PO, the Customer agreed to buy two units of single wafer wet processing equipment from the Group. The processing equipment to be manufactured by the Group focuses on silicon carbide backside clean application. Compared with other similar products in the market, its key advantage is that it aims to maximize the productivity of semiconductor manufacturing by utilizing the superposition in chamber layout and hence provides an enlarged capacity and lower cost of ownership. Each unit is expected to be delivered to the Customer in the fourth quarter of 2022 and 2023, respectively.</p>

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Month (2022)	Event
June	The Group as purchaser entered into a sale and purchase agreement with RENA Technologies GmbH (the “ <b>Seller</b> ”), pursuant to which the Group has conditionally agreed to purchase, and the Seller has conditionally agreed to sell the entire equity interest in Shanghai Rena Trading Co., Ltd. (上海瑞耐貿易有限責任公司) and Rena Solar Technologies (Yiwu) Co., Ltd. (瑞納太陽能科技(義烏)有限公司) (the “ <b>Acquisition</b> ”).

As confirmed by the Directors, going forward, the Group will continue to rely on the expertise of Dr. Liu and his team members to expand further in its new businesses in an expeditious manner. Some of the specific action plans are as follows:

- working closely with the German Partner to continue the manufacturing of cleaning equipment for solar cell under the Manufacturing Agreement to achieve the production target of two tools per week after the ramp-up period;
- coordinating the Group’s existing resources and those brought by the Acquisition in an effort to expedite the development of the solar power equipment business;
- completing the manufacturing and delivery of the two units of single wafer wet processing equipment under the PO as well as the design and manufacturing of other products for semiconductor cleaning;
- developing high-profile customers for both semiconductor cleaning equipment and solar cell cleaning equipment by utilizing the Group’s existing clientele as a foundation; and
- exerting continuous effort to identify valuable investment opportunities in this new industry segment.

The Directors are of the view that the aforesaid diversification and expansion action plans will allow the Group to enlarge its business portfolio into the rapidly developing areas of equipment manufacturing for semiconductor and solar power and broaden its income stream and revenue base, thereby enhancing its financial performance.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Reasons for and benefits of adoption of the Share Award Scheme and grant of the Connected Shares*

On 6 August 2021, the Company adopted the Share Award Scheme with an aim to recognize the contributions by the Group's personnel and to provide them with incentives for the continual operation and development of the Group. Since the adoption of the Share Award Scheme, the Company has resolved to grant a total of 106,008,000 Awarded Shares to grantees who were not connected persons but key employees of the Group.

Alike the grants to the non-connected grantees, the Board is of the view that the grant of the Awarded Shares to the Connected Grantee can (i) recognize his contributions to the Group; (ii) encourage, motivate and retain him for the long-term growth of the Group, especially in the semiconductor and solar power equipment businesses; and (iii) provide additional incentives for the Connected Grantee to achieve performance goals by aligning his and the Company and Shareholders' interests as a whole through ownership of Shares.

We have also discussed with the Directors regarding the grant of the Awarded Shares as an incentive scheme. As represented by the Directors, they have considered several methods of providing incentives to the Group's key employees, including performance bonus and share option. We understand from the Company that as the Group's semiconductor and solar power equipment businesses are still at the developing stage, the Company needs to maintain stable and abundant cash flow for business expansion. Therefore, performance bonus is considered to be less preferable. Moreover, share option is not a current feasible choice for the Company as the Company has not yet established a share option scheme.

Taking into account the background of and reasons for grant of the Connected Shares as presented above, specifically, (i) the Connected Grantee has already and is expected to continue to make valuable contributions to the Group in its new semiconductor and solar power equipment businesses; (ii) based on our independent research, it is expected that prospects of the semiconductor industry would be positive and enjoy great development potentials; (iii) the grant of the Awarded Shares would provide incentives to retain and motivate the Connected Grantee to commit and strive for the future growth of the Group; and (iv) the grant of the Connected Shares does not involve significant cash outlay, we are of the opinion that the grant of the Connected Shares is in the interests of the Company and the Shareholders as a whole even though it is not conducted in the ordinary and usual course of business of the Group.



## **2. Principal terms of the grant of the Connected Shares**

### ***Granting of the Connected Shares***

The 61,415,094 Awarded Shares to be granted to the Connected Grantee shall be issued and allotted to the Trustee as fully paid at nominal value pursuant to the terms of the Share Award Scheme under the Specific Mandate.

Such 61,415,094 Connected Shares represent approximately 0.8119% of the total issued share capital of the Company as at the Latest Practicable Date and approximately 0.8054% of the total issued share capital of the Company as enlarged by the issue and allotment of the Connected Shares, assuming there is no other change in the issued share capital of the Company from the Latest Practicable Date up to the issue date of the Connected Shares, other than the issue and allotment of the new Connected Shares.

The Connected Shares, when issued and allotted, shall rank *pari passu* among themselves and with the fully paid Shares in issue. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Connected Shares to be allotted and issued.

#### ***(i) The remuneration policy of the Company***

As discussed with the Directors, the Company's remuneration policy mainly consists of three parts including:

- (i) monthly base salary which is based on prevailing market practices and employees' qualifications, experience and performance, and is subject to periodic review;
- (ii) performance bonus which is solely discretionary;
- (iii) other benefits including housing, medical and contributory provident fund etc.; and
- (iv) the Share Award Scheme which aligns the interests of the Eligible Participant(s) with the Company and Shareholders as a whole through the ownership of Shares.

The Directors further confirmed that the grant of the Connected Shares has been reviewed by the remuneration committee of the Company. The remuneration committee of the Company considered that the overall remuneration package of the Connected Grantee is consistent with the Company's remuneration policy, and gives due recognition to the qualifications, experience and performance of the Connected Grantee.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *(ii) Market comparison*

Furthermore, based on our independent research over the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)), we noted that it is common for listed companies in Hong Kong to include share award scheme as part of their remuneration package. During the period from 1 July 2022 to 31 July 2022 (being the one-month period before the date of the Announcement), we, to the best of our knowledge and as far as we are aware, identified 14 comparable listed companies in Hong Kong which announced the grant of awarded shares to their respective employees and/or directors including connected persons. We consider such review period to be appropriate as it covers reasonable number of comparable companies to reflect the market norm of Hong Kong listed companies granting the awarded shares before the date of grant of the Connected Shares and we consider the comparable companies to be fair and representative. Set out below are our relevant findings:

Company name (stock code)	Date of announcement	Awardee(s)	Vesting date/period
HBM Holdings Limited (2142)	27 July 2022	25 awardees, including 2 connected persons	(i) 25% on 31 March 2023; (ii) 25% on 31 March 2024; (iii) 25% on 31 March 2025; and (iv) 25% on 31 March 2026
BC Technology Group Limited (863)	22 July 2022	58 awardees	Four equal tranches on each of 4 September 2022, 4 September 2023, 4 September 2024 and 4 September 2025
Smoore International Holdings Limited (6969)	21 July 2022	Certain awardees, all of which are not connected persons	Not mentioned in the announcement
Clover Biopharmaceuticals, Ltd. (2197)	19 July 2022	2 connected awardees	25% shall on 15 June 2023 and the rest will vest yearly thereafter
Yashili International Holdings Ltd (1230)	15 July 2022	Certain awardees, including a connected person	12 months after the date of grant
Edvantage Group Holdings Limited (382)	15 July 2022	1 awardee	Not mentioned in the announcement
Link Real Estate Investment Trust (823)	11 July 2022	Certain awardees, including 12 connected persons	Around 50% from 11 July 2022 to 30 June 2024 and around 50% from 11 July 2022 to 30 June 2025
Fusen Pharmaceutical Company Limited (1652)	8 July 2022	2 awardees	Annually on an equal basis within five years from the effective date of grant

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Vesting date/period
Innovent Biologics, Inc. (1801)	8 July 2022	20 awardees	75% on 8 July 2025 and 25% on 8 July 2026
Homeland Interactive Technology Ltd. (3798)	8 July 2022	1 awardee	8 July 2022
Vobile Group Limited (3738)	8 July 2022	7 connected awardees	Not mentioned in the announcement
Kingmaker Footwear Holdings Limited (1170)	6 July 2022	31 awardees, including 7 connected persons	50% on date of grant and 50% on 1 January 2023
GCL Technology Holdings Limited (3800)	6 July 2022	81 awardees, including 33 connected persons	<ul style="list-style-type: none"> <li>(i) 20% from the grant date to the last trading day within 12 months from the grant date;</li> <li>(ii) 20% from the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date;</li> <li>(iii) 20% from the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date;</li> <li>(iv) 20% from the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date; and</li> <li>(v) 20% from the first trading day after 48 months from the grant date to the last trading day within 60 months from the grant date</li> </ul>
Landsea Green Life Service Company Limited (1965)	5 July 2022	3 awardees, including 2 connected persons	Subject to the terms of the scheme rules

*Source: website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of that (i) the grant of the Connected Shares has been reviewed by the remuneration committee of the Company which considered that the overall remuneration package of the Connected Grantee is consistent with the Company's remuneration policy; (ii) since the adoption of the Share Award Scheme, the Company has resolved to grant a total of 106,008,000 Awarded Shares to grantees who were not connected persons but key employees of the Group; and (iii) the grant of the Connected Shares follows the market norm, we are of the opinion that the grant of the Connected Shares is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

### *Vesting period*

The 61,415,094 Awarded Shares to be granted to the Connected Grantee shall be vested in five equal tranches on 8 August 2023, 8 August 2024, 8 August 2025, 8 August 2026, and 8 August 2027, respectively. Vesting of the Connected Shares is subject to the satisfaction of vesting conditions specified by the Board or the Administration Committee in the award notice issued to the Connected Grantee. Upon our enquiry with the Directors, we understand that the Directors consider the length of the vesting period would secure the long-term commitment of the Connected Grantee for development of the semiconductor and solar power equipment businesses of the Group which are still at the developing stage. At the same time, the vesting conditions, including certain operational indicators, such as targets for sales revenue, purchase orders and gross profit margin of the semiconductor and solar power equipment, serve as clear performance goals for the Connected Grantee.

As also depicted by the table under the paragraph headed "Market comparison" of this letter of advice, nearly all of the comparable companies set different length of vesting periods to their awarded shares based on their own circumstances and the vesting periods of those comparable share award schemes ranged from immediate vesting to around five years from the date of grant. Thus, the vesting period of the Connected Shares, which is around five years from the date of grant, is in line with the market practice.

Given that the vesting period of the Connected Shares (i) would secure the long-term commitment of the Connected Grantee for the semiconductor and solar power equipment businesses of the Group which are still at the developing stage, whilst the vesting conditions serve as clear performance goals for the Connected Grantee; and (ii) is in line with the market practice, we consider that it is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

### **3. Possible financial effects of the grant of the Connected Shares**

As confirmed by the Directors, save for the expenses relating to the issue and allotment of the Connected Shares, the grant of the Connected Shares will not have any impact on the Group's cash position and net current assets.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As further confirmed by the Directors, under the accounting policies of the Group, the share-based payment expense arising from the Connected Shares under the Share Award Scheme will be amortised to the Group's consolidated statement of profit or loss throughout the vesting period (i.e. from the date of grant to the vesting date (both dates inclusive)).

#### **4. Possible effect on the shareholding interests of the existing public Shareholders**

As aforementioned, the 61,415,094 Connected Shares represent approximately 0.8119% of the total issued share capital of the Company as at the Latest Practicable Date and approximately 0.8054% of the total issued share capital of the Company as enlarged by the issue and allotment of the Connected Shares, assuming there is no other change in the issued share capital of the Company from the Latest Practicable Date up to the issue date of the Connected Shares, other than the issue and allotment of the new Connected Shares. With the above being the case, the possible dilution to the shareholding interests of the existing public Shareholders attributable to the issue and allotment of the Connected Shares would likely to be minimal.

In light of that (i) the possible dilution to the shareholding interests of the existing public Shareholders would likely to be minimal; and (ii) as illustrated under the sub-section headed "Reasons for and benefits of adoption of the Share Award Scheme and grant of the Connected Shares" of this letter of advice, the grant of the Connected Shares is in the interests of the Company and the Shareholders as a whole, we concur with the Directors that the said possible dilution in shareholdings is acceptable.

#### **RECOMMENDATION**

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the grant of the Connected Shares are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) even though the grant of the Connected Shares is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the grant of the Connected Shares, and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**VBG Capital Limited**  
**Doris Sing**  
*Managing Director*

## 1. DIRECTORS' INTERESTS

### (1) Interests in the shares, underlying shares and debentures of the Company or any associated corporation

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, were as follows:

Name of Director/ chief executive	Nature of interest	Number of ordinary shares	Percentage of the Company's issued ordinary shares
Shong Hugo	Interest of controlled corporations	2,508,745,828 (Note 1)	33.16%
Liu Erzhuang	Beneficial owner	98,207,548 (Note 2)	1.30%

*Notes:*

- These shares are held by Titan Gas Technology Investment Limited ("**Titan Gas**"), a company which is controlled as to 100% by Titan Gas Technology Holdings Limited ("**Titan Gas Holdings**"), which is in turn owned as to 35.13% by Standard Gas Capital Limited ("**Standard Gas**"), 49.14% by IDG-Accel China Capital II L.P. ("**IDG-Accel Capital II L.P.**") and IDG-Accel China Capital II Investors L.P. ("**IDG Accel Investors II L.P.**") (collectively, "**IDG Funds**"), 8.05% by Mr. Wang Jingbo ("**Mr. Wang**"), 6.87% by Kingsbury International Holdings Co., Ltd.\* (金世旗國際控股股份有限公司) ("**Kingsbury**"), 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee. Under the SFO, Titan Gas Holdings, Standard Gas and IDG Funds are deemed to have interest in the ordinary Shares in which Titan Gas has beneficial interest.

All the issued voting shares in Standard Gas are held by Blazing Success Limited ("**Blazing Success**") which in turn is wholly owned by Mr. Liu Zhihai. Blazing Success has granted a power of attorney to the board of directors of Standard Gas which comprise Mr. Wang, Mr. Lin Dongliang and Mr. Shong Hugo. Under the SFO, Mr. Shong Hugo is deemed to have interest in the ordinary Shares in which Standard Gas has interest.

- Dr. Liu Erzhuang is beneficially interested in 98,207,548 Shares or underlying Shares, which comprises of (i) 38,207,548 ordinary Shares held by him; and (ii) 60,000,000 underlying Shares granted pursuant to the share award scheme adopted by the Company on 6 August 2021. The above Shares are subject to a lock-up period and the satisfaction of vesting conditions specified in the award notice.

As of the Latest Practicable Date, save as disclosed above, none of the Directors nor chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations

(within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and shorts position which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; and (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

**(2) Directors' service contracts**

None of the Directors has any existing or proposed service contract with any member of the Company and its subsidiaries which is not determinable by the Company and its subsidiaries within one year without payment of compensation (other than statutory compensation).

**(3) Other interests of Directors**

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 March 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Company and its subsidiaries.
- (b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Company and its subsidiaries.
- (c) None of the Directors or chief executive of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company.

## 2. SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to any Directors or chief executive of the Company, as of the Latest Practicable Date, other than the interests and short positions of the Directors or chief executive of the Company as disclosed in the section “Directors’ Interests” above, the following person had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/ Nature of interest	Number of ordinary Shares or underlying ordinary Shares (Note 1)	Percentage of the issued ordinary Shares (Note 2)
MO Tian Quan	Interest of controlled corporations	379,507,486 (L) (Note 3)	5.02%
Titan Gas Technology Investment Limited	Beneficial owner	2,508,745,828 (L) (Note 4)	33.16%
Titan Gas Technology Holdings Limited	Interest of a controlled corporation	2,508,745,828 (L) (Note 4)	33.16%
Standard Gas Capital Limited	Interest of controlled corporations	2,508,745,828 (L) (Notes 4 and 5)	33.16%
Kingsbury International Holdings Co., Ltd. (金世旗國際控股股份有限公司)	Interest of controlled corporations	2,508,745,828 (L) (Notes 4 and 5)	33.16%
Wang Jingbo	Interest of controlled corporations	2,508,745,828 (L) (Notes 4 and 5)	33.16%
Lin Dongliang	Interest of controlled corporations	2,508,745,828 (L)	33.16%
	Beneficial owner	12,910,000 (L) (Notes 4, 5 and 15)	0.17%
IDG-Accel China Capital GP II Associates Ltd.	Interest of controlled corporations	2,508,745,828 (L) (Note 6)	33.16%
IDG-Accel China Capital II Associates L.P.	Interest of controlled corporations	2,508,745,828 (L) (Note 7)	33.16%
IDG-Accel China Capital II L.P.	Interest of controlled corporations	2,508,745,828 (L) (Note 7)	33.16%
HO Chi Sing	Interest of controlled corporations	2,915,764,171 (L) (Notes 4, 6, 7, 8 and 14)	38.55%
ZHOU Quan	Interest of controlled corporations	2,915,764,171 (L) (Notes 4, 6, 7, 8 and 14)	38.55%



Name	Capacity/ Nature of interest	Number of ordinary Shares or underlying ordinary Shares	Percentage of the issued ordinary Shares
		(Note 1)	(Note 2)
LUO Yuping	Interest of controlled corporations	2,508,745,828 (L) (Notes 4, 5 and 9)	33.16%
Foxconn Technology Co., Ltd	Interest of controlled corporations	1,485,000,000 (L) (Note 10)	19.63%
Q-Run Holding Ltd.	Interest of controlled corporations	1,188,000,000 (L) (Note 10)	15.71%
	Beneficial owner	297,000,000 (L) (Note 10)	3.93%
Snow Lake China Master Fund, Ltd.	Beneficial owner	582,000,000 (L) (Note 11)	7.69%
Snow Lake China Offshore Fund, Ltd.	Interest of controlled corporations	582,000,000 (L) (Note 11)	7.69%
Snow Lake Capital (HK) Limited	Investment manager	875,000,000 (L) (Note 12)	11.57%
Ma Sean	Interest of controlled corporations	875,000,000 (L) (Note 11)	11.57%
IDG Magic V Fund L.P.	Beneficial owner	395,518,343 (L) (Note 13)	5.23%
IDG Magic V Associates L.P.	Interest of controlled corporations	395,518,343 (L) (Note 13)	5.23%
IDG Magic V GP Associates Ltd.	Interest of controlled corporations	395,518,343 (L) (Note 13)	5.23%

## Notes:

1. In the above table, the information on the companies in which the interests are held, the capacity/nature of such interests and the number of ordinary Shares or underlying ordinary Shares is based on information available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The percentage of such ordinary Shares or underlying ordinary Shares in the issued ordinary Shares is calculated with reference to the number of issued ordinary Shares as at the Latest Practicable Date and is for reference only.
2. The letter “L” represents the individual’s long position in the ordinary Shares or underlying ordinary Shares.
3. Mr. Mo Tianquan (“**Mr. Mo**”) has control over 100% interests of Tanisca and Upsky Enterprises Limited. Tanisca Investments Limited has interest in 344,754,077 ordinary Shares, while Upsky Enterprises Limited has interest in 34,753,409 ordinary Shares. Under the SFO, Mr. Mo is deemed to have interest in the ordinary Shares in which Tanisca and Upsky Enterprises Limited have interest.
4. Titan Gas is controlled as to 100% by Titan Gas Holdings, which is in turn controlled as to 35.13% by Standard Gas, 49.14% by the IDG Funds, 8.05% by Mr. Wang, 6.87% by Kingsbury, 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee. Under the SFO, Titan Gas Holdings, Standard Gas and IDG

Funds are deemed to have interest in the 2,508,745,828 ordinary Shares in which Titan Gas has beneficial interest. As of the Latest Practicable Date, Mr. Wang, Mr. Lin Dongliang and Mr. Shong Hugo are directors of Titan Gas Holdings.

5. Standard Gas, Mr. Wang and Kingsbury have entered into an acting in concert arrangement for the purpose of facilitating a more efficient decision making process in connection with the exercise of their shareholders' rights in Titan Gas Holdings pursuant to which, Standard Gas, Kingsbury and Mr. Wang agreed to align with each other in respect of the voting of major actions in respect of Titan Gas Holdings' business and each of Standard Gas, Mr. Wang and Kingsbury will consult with each other and reach agreement on material matters of Titan Gas Holdings before it/he exercises its/his respective voting rights in Titan Gas Holdings, provided that Mr. Wang will have a casting vote and will have the final decision making power in the event that a consensus cannot be reached among Standard Gas, Mr. Wang and Kingsbury. The ordinary shares in which Mr. Wang has interest are 2,508,745,828 ordinary Shares in which Titan Gas has beneficial interest.
6. The IDG Funds is under the control of its ultimate general partner, IDG-Accel China Capital GP II Associates Ltd. ("**IDG-Accel Ultimate GP**"). Under the SFO, IDG Accel Ultimate GP is deemed to have interest in the ordinary Shares in which the IDG Funds have interest.
7. IDG-Accel China Capital II Associates L.P. has control over IDG-Accel Capital II L.P. Under the SFO, IDG-Accel China Capital II Associates L.P. is deemed to have interest in the ordinary Shares in which IDG-Accel Capital II L.P. has beneficial interest.
8. Ho Chi Sing and Zhou Quan are directors of IDG-Accel Ultimate GP and are responsible for decision-making matters relating to the IDG Funds and their investments, and hence control the exercise of voting rights to the shares that the IDG Funds hold in Titan Gas Holdings. Therefore they are deemed to have interest in the ordinary Shares in which IDG-Accel Ultimate GP has interest.
9. Kingsbury is controlled as to 74.8% by Luo Yuping. By virtue of the acting in concert arrangement referred to in note 5, Luo Yuping is deemed to have interest in the ordinary Shares in which Titan Gas Holdings has interest.
10. Foxconn Technology Co., Ltd. has control over Q-Run Holding Ltd., which in turn has direct and indirect controls of 297,000,000 ordinary Shares and 1,188,000,000 ordinary Shares, respectively. Under the SFO, Foxconn Technology Co., Ltd. is deemed to have all the interest in the ordinary Shares in which Q-Run Holding Ltd. has interest.
11. Pursuant to the form of disclosure of interests filed by Snow Lake China Offshore Fund, Ltd., Snow Lake China Master Fund, Ltd. is 88.62% controlled by Snow Lake China Offshore Fund, Ltd.. Under the SFO, Snow Lake China Offshore Fund, Ltd. is deemed to have interest in 582,000,000 ordinary Shares in which Snow Lake China Master Fund, Ltd. has beneficial interest.
12. Snow Lake Capital (HK) Limited is the investment manager of three entities holding ordinary Shares. MA Sean is the controlling shareholder of Snow Lake Capital (HK) Limited. Under the SFO, Snow Lake Capital (HK) Limited and MA Sean are deemed to have interest in the ordinary Shares that such entities have beneficial interest.
13. IDG Magic V Fund L.P. is controlled by IDG Magic V Associates L.P., which is in turn controlled by IDG Magic V GP Associates Ltd.. Under the SFO, IDG Magic V GP Associates Ltd. and IDG Magic V Associates L.P. are deemed to have interest in the 395,518,343 ordinary Shares in which IDG Magic V Fund L.P. has beneficial interest.
14. IDG Magic V GP Associates Ltd. is controlled as to 50% and 50%, respectively, by Ho Chi Sing and Zhou Quan, directors of IDG Magic V GP Associates Ltd.. Therefore, Ho Chi Sing and Zhou Quan are deemed to have interest in the ordinary Shares in which IDG Magic V GP Associates Ltd. has interest.
15. The 12,910,000 ordinary Shares are held by Mr. Lin Dongliang beneficially.

Save as disclosed above, as of the Latest Practicable Date, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

### 3. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Company and its subsidiaries since 31 March 2022, the date to which the latest published audited consolidated financial statements of the Company and its subsidiaries were made up.

### 4. MATERIAL LITIGATION

No member of the Company and its subsidiaries was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Company and its subsidiaries, as of the Latest Practicable Date.

### 5. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
VBG Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As of the Latest Practicable Date, the Independent Financial Adviser did not have (i) any shareholding in any member of the Company and its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company and its subsidiaries and (ii) any direct or indirect interest in any assets which had, since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Company and its subsidiaries, or are proposed to be acquired or disposed of by, or leased to any member of the Company and its subsidiaries.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

**6. MISCELLANEOUS**

- (1) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (2) The Company's Hong Kong branch share registrar and transfer office is maintained by Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

**7. DOCUMENTS ON DISPLAY**

The following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.pdt-techs.com](http://www.pdt-techs.com)) for 14 days from the date of this circular:

- (1) a copy of the Share Award Scheme;
- (2) the letter from the Independent Board Committee, the text of which is set out on page 12 of this circular;
- (3) the letter from the Independent Financial Adviser to the Independent Shareholders in respect of the proposed grant of the Connected Shares, the text of which is set out in pages 13 to 25 of this circular;
- (4) the letter of consent referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix; and
- (5) this circular.



Innovativity To Productivity

**PRODUCTIVE TECHNOLOGIES COMPANY LIMITED**

**普達特科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the special general meeting of Productive Technologies Company Limited (the “**Company**”) will be held at 10:00 a.m. on Tuesday, 27 September 2022 at United Conference Centre Limited — Room 2, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong or any adjournment thereof to consider and, if thought fit, to pass with or without amendments, the following resolutions:

**ORDINARY RESOLUTIONS**

1. “**THAT:**

- (a) conditional upon The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in an aggregate of 61,415,094 new shares of the Company (the “**Connected Shares**”), the Directors be and are hereby granted a specific mandate (the “**Specific Mandate**”) for the allotment and issue of the Connected Shares to Tricor Trust (Hong Kong) Limited to hold on trust for Dr. Liu Erzhuang, who is a connected person (as defined in Chapter 14A of the Listing Rules) of the Company selected by the Board for participation in the share award scheme (the “**Share Award Scheme**”) adopted by the Company on 6 August 2021; and
- (b) any one Director be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the allotment and issue of the Connected Shares under the Specific Mandate and the transactions contemplated thereunder.”

2. “**THAT** the proposed grant of 61,415,094 Connected Shares pursuant to the Share Award Scheme to Dr. Liu Erzhuang be and is hereby approved, confirmed and ratified in all respects.”

By order of the Board  
**Productive Technologies Company Limited**  
**Liu Erzhuang**  
*Chairman and Chief Executive Officer*

Hong Kong, 6 September 2022

\* For identification purposes only

## NOTICE OF SGM

*Notes:*

1. A shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
  2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the said meeting (i.e. before 10:00 a.m. on Sunday, 25 September 2022) or adjourned meeting.
  3. To ascertain the Shareholders’ entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 22 September 2022 to Tuesday, 27 September 2022 (both dates inclusive) during which period no share transfers can be registered. In order to be eligible to attend and vote at the SGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 21 September 2022.
  4. In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of shareholders, the Company will implement the following precautionary measures at the SGM:
    1. body temperature screening/checks;
    2. scanning the “LeaveHomeSafe” venue QR code;
    3. complying with the requirements of the “Vaccine Pass Direction”<sup>#</sup>;
    4. wearing of surgical face mask;
    5. attendees will be assigned to a designated seating area and the seating capacity will also be limited to ensure social distancing;
    6. no refreshment will be served; and
    7. complying with the requirements of the venue where the SGM will be held.
- <sup>#</sup> “Vaccine Pass Direction” is defined under the *Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong)*.
5. In light of the continuing risks posed by the COVID-19 pandemic, the Company advises Shareholders to appoint the chairman of the SGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the SGM in person.
  6. In view of the evolving COVID-19 pandemic situation in Hong Kong, the Company may implement further procedures and precautionary measures and change the SGM arrangements at short notice. Shareholders should visit the Company’s website at <https://www.pdt-techs.com/> for future announcements and updates on the SGM arrangements.
  7. If tropical cyclone warning signal no. 8 or above is hoisted, “extreme condition” caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Tuesday, 27 September 2022, the meeting will be adjourned and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3

## NOTICE OF SGM

or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. As at the date of this notice, the executive Directors are Dr. Liu Erzhuang (*Chairman*), Mr. Tan Jue and Mr. Liu Zhihai; the non-executive Director is Mr. Shong Hugo; and the independent non-executive Directors are Ms. Ge Aiji, Mr. Shi Cen and Mr. Chau Shing Yim David.