
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Solartech International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SOLARTECH INTERNATIONAL HOLDINGS LIMITED

星凱控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUING APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED MORE THAN NINE YEARS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Solartech International Holdings Limited to be held at Chairman's Place, M/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 5 December 2022 at 11:00 a.m. at which the above proposals will be considered is set out in Appendix IV to this circular.

A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11:00 a.m. on Saturday, 3 December 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 AGM or any adjournment thereof if you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

Reference to time and dates in this circular are to Hong Kong time and dates.

* For identification purpose only

CONTENTS

	<i>Page</i>
PRECAUTIONARY MEASURES FOR THE AGM	ii
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	6
General mandates to issue new Shares and buy back Shares	7
Re-election of retiring Directors and continuing appointment of Independent Non-executive Director who has served more than nine years	8
Proposed Adoption of New Share Option Scheme	9
Notice of the AGM	16
Recommendation	17
Responsibility statement	17
General information	17
APPENDIX I — EXPLANATORY STATEMENT	18
APPENDIX II — DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED	21
APPENDIX III — SUMMARY OF THE KEY TERMS OF THE NEW SHARE OPTION SCHEME	23
APPENDIX IV — NOTICE OF AGM	35
Accompanying document:	
Form of Proxy	

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing COVID-19 pandemic and recent requirements, if any, for prevention and control of its spread, the Company will implement the following precautionary measures at the 2022 annual general meeting of the Company (the “**Meeting**”) against the COVID-19 pandemic to protect the attendees from the risk of infection:

- (i) Compulsory body temperature check will be conducted for every member or proxy at the entrance of the Meeting venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the Meeting venue;
- (ii) Every member or proxy must scan the “**LeaveHomeSafe**” venue QR code and comply with the requirements of the “**Vaccine Pass Direction**”[#] prior to entry into the Meeting venue;
- (iii) Every member or proxy must wear a self-prepared surgical face mask throughout the Meeting. Any person who refuses to follow the aforesaid will not be admitted to the Meeting venue;
- (iv) No refreshments and drinks will be served at the Meeting;
- (v) Hand sanitiser is available at the entrance of the Meeting venue; and
- (vi) Every member or proxy must comply with the requirements of the venue where the Meeting will be held.

[#] “**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 does not (a) 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 Meeting venue at the absolute discretion of the Company.

The Company will limit attendance in person at the Meeting venue in accordance with prevailing requirements or guidelines published by the HKSAR Government and/or regulatory authorities at the time of the Meeting. The Company will continue to closely monitor the development of the pandemic situation in Hong Kong and the latest announcement published by the HKSAR Government in respect of the latest social distancing measures and further update on the Meeting arrangements. Given the limited capacity of the Meeting venue and the requirements for social distancing, shareholders/members of the Company and/or their proxies will be admitted to the Meeting venue on a “first-come-first-served” basis.

PRECAUTIONARY MEASURES FOR THE AGM

Furthermore, the Company wishes to strongly advise the members, particularly those who are unwell or subject to quarantine in relation to COVID-19, that they may appoint the chairman of the Meeting as a proxy to vote on the resolution(s), instead of attending the Meeting in person, by completing and returning the form of proxy attached to this document. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

The Company will keep the COVID-19 situation under review and may implement additional measures which, if any, will be announced at a time closer to the date of the Meeting.

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is adopted by an ordinary resolution to be passed by the Shareholders at the Annual General Meeting;
“AGM” or “Annual General Meeting”	the 2022 annual general meeting of the Company to be held at Chairman’s Place, M/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 5 December 2022 at 11:00 a.m., notice of which is set out in Appendix IV to this circular;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-laws”	the bye-laws of the Company, of which the adoption was approved by the shareholders of the Company at the special general meeting held on 31 May 2022;
“close associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Commencement Date”	in respect of any particular Share Option, the date upon which the Share Option is accepted or deemed to be accepted in accordance with the Share Option Scheme;
“Company”	Solartech International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1166);
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Date of Grant”	means the date on which an offer is made to an Eligible Participant, which must be a business day;
“Director(s)”	director(s) of the Company;

DEFINITIONS

“Eligible Participant(s)”	any Employee Participant or Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Option Scheme and such individual shall therefore be excluded from being an Eligible Participant;
“Employee”	any employee, director or officer of the Company or any subsidiary;
“Employee Participant(s)”	any Director and employee of the Company or any of its subsidiaries (including person who is granted shares or options under the Share Option Scheme as an inducement to enter into employment contract with the Company or its subsidiary);
“entitlement”	the proportion of a Share Option which is not exercised and remains exercisable from time to time during the Option Period as stipulated in the conditions of exercise of the Share Option specified by the Board;
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 18 December 2012;
“financial year”	the period commencing on 1 July each year and ending on 30 June next year, or such other period as fixed by the Company for the preparation of its annual accounts;
“Grantee(s)”	any Eligible Participant(s) who accept(s) the offer or grant of a Share Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person or persons who is or becomes entitled to exercise any such Share Option under the terms of the Share Option Scheme or by operation of law, either in consequence of the death or incapacity of such Eligible Participant or otherwise;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Issue Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of passing of the resolution granting such mandate (as extended by adding to it the aggregate number of Shares bought back under the Share Buy-back Mandate);
“Latest Practicable Date”	4 November 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“New Share Option Scheme” or “Share Option Scheme”	the new share option scheme of the Company proposed to be approved and adopted by an ordinary resolution to be passed by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Nomination Committee”	the nomination committee of the Company;
“Offer(s)”	the offer(s) of the grant of Option(s) made by the Board in accordance with the Share Option Scheme;
“Option(s)”	a right to subscribe for Shares pursuant to the New Share Option Scheme;

DEFINITIONS

- “Option Period” in respect of any particular Option, the period to be determined and notified by the Board to each Grantee during which the Grantee may exercise such Share Option and such period which may commence on any day after 12 months of the Commencement Date, subject to any shorter vesting period approved by the Board and/or the remuneration committee of the Company in accordance with the relevant provisions in the Listing Rules and the New Share Option Scheme, and in any event shall end not later than the 10th anniversary of the relevant Commencement Date, subject to the provisions for early termination contained in the Share Option Scheme or the relevant document of grant or other notification issued by the Board;
- “PRC” the People’s Republic of China;
- “Scheme Mandate Limit” the limit on the total number of Shares which may be issued in respect of all options to be granted under all share option schemes of the Company approved by the shareholders of the Company, which must not exceed 10% of the issued shares of the Company at the date of the Shareholders’ approval of the limit;
- “Service Provider(s)” any person who provides services to the Company or any of its subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of Options to whom are in the interests of the long-term growth of the Group as determined by the Board, namely:
- (a) a supplier of goods or services to any member of the Group;
 - (b) an advisor, consultant, business or joint venture partner, contractor, agent or representative of any member of the Group; and
 - (c) a person or entity that engages in design and/or research and development work to any member of the Group;

DEFINITIONS

	but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit for the maximum number of Options to be granted to the Service Providers under all share option schemes of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Share Buy-back Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to buy back Shares up to a maximum of 10% of the aggregate number of Shares in issue as at the date of passing of the resolution granting such mandate;
“Share Option(s)” or “Option(s)”	the right to subscribe for a specified number of Shares in issue at the Subscription Price;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of a Share Option as in accordance with the Share Option Scheme, subject to adjustment in accordance with the Share Option Scheme;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission as amended from time to time; and
“%”	per cent.

In this circular, the terms, such as “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

LETTER FROM THE BOARD



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

星凱控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

Executive directors:

CHAU Lai Him (*Chairman and Managing Director*)

CHAU Chi Ho (*Deputy Chairman*)

LIU Dong Yang

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive directors:

CHUNG Kam Kwong

LO Wai Ming

LO Chao Ming

*Head office and principal
place of business:*

Unit 15, 18/F

Concordia Plaza

1 Science Museum Road

Tsim Sha Tsui, Kowloon

Hong Kong

10 November 2022

To the Shareholders,

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUING APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
WHO HAS SERVED MORE THAN NINE YEARS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Monday, 5 December 2022, for the approval of (i)

* *for identification purposes only*

LETTER FROM THE BOARD

granting to the Directors of the Issue Mandate; (ii) granting to the Directors of the Share Buy-back Mandate; (iii) re-election of retiring Directors and continuing appointment of Independent Non-executive Director who has served more than nine years; and (iv) adoption of New Share Option Scheme.

GENERAL MANDATES TO ISSUE NEW SHARES AND BUY BACK SHARES

The existing general mandates for the issue of new Shares and the buy-back of Shares will lapse at the conclusion of the forthcoming AGM.

An ordinary resolution will be proposed at the AGM that the Directors be granted the Issue Mandate. Details of the Issue Mandate are set out in ordinary resolution A under item 6 of the notice of AGM.

As at the Latest Practicable Date, the Company had an aggregate of 2,374,532,340 Shares in issue. Subject to the passing of the proposed ordinary resolution at the AGM for the approval of granting of the Issue Mandate to the Directors and on the basis that no Shares would be issued by the Company from the Latest Practicable Date up to the date of the AGM, the Issue Mandate would allow the Directors to allot and issue up to a maximum of 474,906,468 Shares, representing 20% of the aggregate number of Shares in issue as at the date of the AGM. Details of the Issue Mandate are set out in ordinary resolution A under item 6 of the notice of the AGM.

At the AGM, an ordinary resolution will also be proposed that the Directors be granted the Share Buy-back Mandate. Details of the Share Buy-back Mandate are set out in ordinary resolution B under item 6 of the notice of the AGM.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares being bought back under the Share Buy-back Mandate to the total number of Shares which may be allotted and issued under the Issue Mandate. Details are set out in ordinary resolution C under item 6 of the notice of the AGM.

The Share Buy-back Mandate and the Issue Mandate would continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders in a general meeting of the Company held prior to the next annual general meeting of the Company revoking or varying the Issue Mandate and/or the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Share Buy-back Mandate is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM in relation to the Share Buy-back Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS AND CONTINUING APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS

Messrs. Chau Lai Him (“**Mr. Chau**”), Liu Dong Yang (“**Mr. Liu**”) and Lo Chao Ming (“**Mr. Lo**”) will retire from office as Directors at the AGM and each of the aforementioned Directors, being eligible, will offer themselves for re-election at the AGM pursuant to bye-law 84 of the Bye-laws.

Brief biographies of Mr. Chau, Mr. Liu and Mr. Lo which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

The Nomination Committee, having reviewed the Board’s structure, size and composition, nominated Mr. Chau, Mr. Liu and Mr. Lo to the Board for it to recommend to Shareholders for re-election at the AGM. The nominations were made in accordance with the Company’s board diversity policy, the nomination policy and the objective criteria, including the differences in the talents, skills, regional and industry experience, background, gender, age and other qualities of the members of the Board, and the overall contribution and service to the Company of the retiring Directors and the level of participation and performance on the Board. In particular, with respect to Mr. Chau, the Nomination Committee has considered that Mr. Chau was involved in a legal proceedings in which he was joined as one of the defendants by CS Asia Opportunities Master Fund (details of which are set out in the biography of Mr. Chau in Appendix II to this circular). According to the currently available information, Mr. Chau’s involvement in the proceedings was limited to a purported oral guarantee given by Mr. Chau and/or Mr. Chau Chi Ho, an executive Director of the Company and son of Mr. Chau, for amounts owing by a Mr. Zhou (“**Mr. Zhou**”) who was allegedly to be in breach of, among other things, an equity swap transaction confirmation dated 31 May 2018 and entered into between CS Asia Opportunities Master Fund and Mr. Zhou. Both the Nomination Committee and the Board (including all members other than Mr. Chau and Mr. Chau Chi Ho) considered that the alleged claim against Mr. Chau did not affect the honesty and integrity of Mr. Chau to continue to discharge his duty as a director of the Company. With respect to Mr. Lo, the Board (including all members other than Mr. Lo) and Mr. Chung Kam Kwong and Mr. Lo Wai Ming (the Independent Non-executive Directors and the members of the Nomination Committee) has reviewed his independence criteria as Mr. Lo has served as the Independent Non-executive Director for more than nine years.

Under Code provision B.2.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company.

Mr. Lo has served as an independent non-executive Director of the Company for more than nine years since 16 November 2006. Mr. Lo has extensive knowledge and experience in the cable and wire industry, and an in-depth understanding of the Company’s operations and business. Mr. Lo has continuously expressed objective views and given independent guidance to

LETTER FROM THE BOARD

the Company over the past years. He continues demonstrating a firm commitment to his role. The Nomination Committee (other than Mr. Lo) and the Board (other than Mr. Lo) consider that the long service of Mr. Lo would not affect his exercise of independent judgement, are satisfied that Mr. Lo has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director, consider Mr. Lo to be independent and believe that his re-election as a Director is in the best interests of the Company and the Shareholders. A separate resolution will be proposed for his re-election at the 2022 AGM. In addition, Mr. Lo has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

In addition, pursuant to Code provision B.2.4 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, where all the independent non-executive directors of an issuer have served more than nine years on the board, the length of tenure of each existing independent non-executive director on a named basis should be disclosed. Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming have all been serving as independent non-executive Directors for more than nine years as at the Latest Practicable Date. Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming were appointed as independent non-executive Directors of the Company on 1 March 2003, 6 January 2000 and 16 November 2006, respectively. The length of tenure of each of Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming as at the Latest Practicable Date was 19 years, 22 years and 15 years, respectively.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

Existing Share Option Scheme

The Existing Share Option Scheme was adopted by an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 18 December 2012. The Existing Share Option Scheme had a term of 10 years and will expire on 17 December 2022.

As at the Latest Practicable Date, there was no outstanding options under the Existing Share Option Scheme that has been granted but yet to be exercised. As at the Latest Practicable Date, the total number of options available for issue under the Existing Share Option Scheme is 237,453,234, representing 10% of the total share capital of the Company as at the date of approval of the last refreshment of scheme mandate limit under the Existing Share Option Scheme (being 6 December 2019). The Company has granted 96,500,000 options to six service providers under the Existing Share Option Scheme, entitling the latter to subscribe for a maximum of 96,500,000 new Shares, representing approximately 29.29% of the options granted under the Existing Share Option Scheme. Such service providers are mainly external consultants committed to (i) introducing new customers and potential business opportunities to the Group and (ii) providing advice to the Group regarding new business projects and future development plans. As at the Latest Practicable Date, the options granted to those service providers have either been exercised or lapsed.

LETTER FROM THE BOARD

No further options shall be granted under the Existing Share Option Scheme upon its expiry, but the options granted and not exercised nor lapsed at the date of expiry shall remain valid and exercisable in accordance with the Existing Share Option Scheme and in all other respects, the provisions of the Existing Share Option Scheme shall remain in full force and effect.

Other than the Existing Share Option Scheme, there was no other share option scheme put in place by the Company as at the Latest Practicable Date.

New Share Option Scheme

In view of the imminent expiry of the Existing Share Option Scheme and to enable the Company to grant options to Eligible Participants as incentives or rewards for their contributions and continuing efforts to promote the interests of the Group and to enable the Group to recruit and retain high calibre employees, the Board proposes to recommend to the Shareholders at the AGM to approve and adopt the New Share Option Scheme. The New Share Option Scheme will become effective on the date of fulfilment of all the conditions precedent as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” below.

It is proposed that subject to the approval of the Shareholders at the AGM of the adoption of the New Share Option Scheme and the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon the exercise of the Options that may be granted under the New Share Option Scheme, the New Share Option Scheme will take effect.

Principal terms of the New Share Option Scheme

The terms of the New Share Option Scheme have been prepared in compliance with Chapter 17 of the Listing Rules and the amendments to Chapter 17 of the Listing Rules which will take place on 1 January 2023. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

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 becomes unconditional, will provide the Company with more flexibility in long term planning of granting Options to Eligible Participants in a longer period in the future. The Board may add such terms at the time of the grant of any Option, which can provide appropriate incentives or rewards to the Eligible Participants for their contribution to the Group.

Eligible Participants under the New Share Option Scheme

The basis of eligibility of each Eligible Participant shall be determined by the Board taking into account such factors as the Board may at its discretion consider appropriate. The Directors will assess the eligibility of each of the Eligible Participants on a case-by-case basis.

LETTER FROM THE BOARD

With respect to Employee Participants, the Board will consider, amongst others, their general working experience, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.

Further, with respect to the eligibility of each category of the Service Providers, the Board will consider the following factors:

(i) Supplier of goods

Service Providers under this category are mainly suppliers of cables, wires, copper rod and other commodities supporting the Group's cables and wires business and copper rod business.

In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the nature, reliability and quality of the raw materials or goods supplied; (2) the frequency of transactions with the relevant Service Provider; (3) the length of business relationship with the Group and/or (4) the potential and/or actual contribution to the business affairs of the Group, including revenue or profits attributable to or brought by products using raw materials or goods supplied by such Service Providers;

(ii) Advisor, consultant, business or joint venture partner, contractor, agent or representative of any member of the Group

Advisors, agents, consultants and representatives eligible under this category are mainly located in the PRC and overseas and are independent contractors of the Company as they prefer to retain flexibility in their work. As such, instead of entering into full-time employment contracts with the Group, they are engaged externally and have been providing services akin to employees. They are equipped with industry know-how and are committed to fostering the long-term growth of the Group's cables, wires, copper rods and other commodities businesses in the PRC and overseas by way of introducing new customers or business opportunities to the Group, managing relationship with existing customers and engaging in customer-facing business development activities. In addition, the Group is developing cables and wires for new energy auto-motives and the new energy markets. The Group plans to engage additional advisors, agents, consultants and representatives in the PRC and overseas to undertake similar sales, marketing, customer management and business development tasks for, among others, the proposed new products.

Moreover, the Group owns a number of industrial lands and factories in Changping Town, Dongguan City, PRC. The Group engages and proposes to continue to engage the consultants and contractors for coordinating and facilitating the renovation, industrial upgrade and transformation of such land. They will be closely involved in the construction of commercial districts, the development of commercial residential buildings, the construction of modern factories and the joint construction of farmer apartments, on a

LETTER FROM THE BOARD

continuing and recurring basis. The Directors believe that (1) the newly constructed facilities will start to generate rental income and enlarge the segment on investment properties of the Group in the coming years; and (2) the developments of the existing land resources will increase the overall values of the Group's investment properties, increase the Group's rental income and enhance returns to the shareholders of the Company.

Further, the Group is committed to exploring new business opportunities by entering into joint ventures with business partners after due and careful consideration and under arms' length negotiation. Our joint venture partners have in-depth experience and expertise in the relevant business sectors, such as manufacturing and trading of (1) LED and (2) cables for new energy markets, which enables the Group to gradually build its market presence in such areas and derive synergy with its existing cables, wires and copper rod businesses. The Group intends to incentivize such Service Providers which have contributed to the Group's long-term growth by granting Options to them.

The Group has also engaged and proposes to continue to engage certain external consultants and advisors who provide professional consultancy services including (1) identifying and evaluating risks associated with new investments to be undertaken by the Group; and (2) reviewing, analysing and advising the Group's overall business performance, operational procedures, financial information, accounting and future development plans. The Directors believe that the valuable insights and advice of the external consultants and advisors will be beneficial to the promotion of the Group's long-term growth and corporate governance. The Directors are of the view that granting Options to such Service Providers may assist the Group in retaining high-caliber consultants and advisors.

In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the potential and/or actual scale and degree of cooperation with the Group; (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider and/or (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility);

(iii) A person or entity that engages in design and/or research and development work for any member of the Group

The Group engages and will continue to engage a group of Service Providers under this category who will render services like design, research and development in respect of the Group's (1) existing products, such as cables, wires and copper rods, and (2) new products for new energy auto-motives and the new energy markets as mentioned above. The Directors are of the view that the support from Service Providers under this category will enable the Group to keep track of the evolving market trends and provide high-quality products which cater the needs of Group's customers.

LETTER FROM THE BOARD

The Group will also engage certain Service Providers to carry out design work and/or provide professional architecture or engineering advice in respect of the Group's investment properties in Changping Town, Dongguan City, PRC. They are expected to provide valuable assistance for the Group to make business plans which best utilize the investment properties and land owned by the Group.

In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided; (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

In order to be eligible for participating in the New Share Option Scheme, all Service Providers must have supplied goods or rendered services for three times or more to the Group for at least 12 months prior to the Date of Grant, and

- (a) the scale of the relevant Service Provider's business dealings with the Group in terms of purchase attributable to such Service Provider in category (i) above shall generally represent not less than 5% of the Group's turnover of the business segment of the Group in which such Service Provider is involved in the last financial year; or
- (b) the contribution to the Group's revenue or profit in the relevant business segment in the last financial year attributable to relevant Service Provider in categories (ii) or (iii) above shall generally represent not less than 5% of the Group's turnover of the business segment of the Group in which such Service Provider is involved in the last financial year, and an increase of not less than 5% on a year-to-year basis.

To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

The reason for rewarding the Service Providers of the Group is to recognise their knowledge, know-how, experience, expertise which are of valuable contribution to the Group. Some of them may have established relationships with other industry players, the others may have sector-specific know-how which provides the Group with competitive advantages. Hence, alongside the Employee Participants, the Service Providers also take part in (i) creating and enhancing value of the Group and (ii) assisting the Group in attaining its long-term objectives.

LETTER FROM THE BOARD

The Board considers that granting Options to Service Providers will align their interests with that of the Group and attract key players of different business sectors which the Group engages in, thereby fostering the Group's long-term growth and development. The Board is of the view that this is beneficial to the Group and its Shareholders as a whole and is in line with the purpose of the New Share Option Scheme.

Considering the aforesaid, the Board is of the view that the scope of Eligible Participants as set out in the New Share Option Scheme allows the flexibility for the Board to exercise their discretion in case these individuals or entities made or will make significant contributions to or have an important role in the business development of the Group.

Value of the Options

The Directors consider that it 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 number of variables which are crucial for the calculation of the Option value which have not been determined. Such variables include but not limited to the exercise price, exercise period, any minimum holding period, any performance targets set and other relevant variables.

Conditions precedent of the New Share Option Scheme

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

- (i) the passing of ordinary resolution by the Shareholders at the AGM to, among others, (a) approve and adopt the New Share Option Scheme; (b) authorise the Board to grant Options under the New Share Option Scheme; and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme;
- (ii) the Listing Division of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares falling to be allotted and issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme; and
- (iii) the Bermuda Monetary Authority granting approval for the issue of Options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such Options, if applicable.

Once the New Share Option Scheme is adopted, any alteration to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

LETTER FROM THE BOARD

Scheme Mandate Limit and Service Provider Sublimit

Pursuant to Rule 17.03B(1) of the Listing Rules and the New Share Option Scheme, the Scheme Mandate Limit, being the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company existing at such time, must not in aggregate exceed 10% of the total number of Shares in issue as at the date of Shareholders' approval of the New Share Option Scheme.

Further, pursuant to Rule 17.03B(2) of the Listing Rules and the New Share Option Scheme, within the Scheme Mandate Limit, the Service Provider Sublimit, being the maximum number of Shares which may be issued upon exercise of all options to be granted to the Service Providers under the New Share Option Scheme and any other share option schemes of the Company existing at such time, must not in aggregate exceed 3% of the total number of Shares in issue as at the date of Shareholders' approval of the New Share Option Scheme, subject to separate approval by the Shareholders in general meeting.

As at the Latest Practicable Date, there were a total of 2,374,532,340 Shares in issue. Assuming that there is no change in issued share capital of the Company between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other option schemes (if any) will be 237,453,234 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, of which a maximum of 71,235,970 Shares in respect of which the Options may be granted to the Service Providers.

The proposed Service Provider Sublimit has been determined by the Board taking into account, amongst others, (i) the number of potentially eligible Service Providers under the New Share Option Scheme, (ii) the potential benefits to the overall long-term growth of the Group and to the sustainability of the long-standing business relationship between the Group and the potentially eligible Service Providers brought by the Options to be granted to the latter, (iii) the need to reserve a majority portion of the Scheme Mandate Limit for the Employee Participants and (iv) the number of share options granted to the Service Providers under the Existing Share Option Scheme, which amounted to approximately 30% of the total number of share options granted thereunder as at the Latest Practicable Date. The Directors (including the independent non-executive Directors) are of the view that the proposed Service Provider Sublimit is appropriate and reasonable given that it has struck a proper balance between the need to provide incentives for the Service Providers to supply reliable and high-quality services to the Group on a long-term basis and the need to protect the rights of the existing Shareholders as a whole.

General information

The New Share Option Scheme has no trustees and it will be subject to the administration of the Directors. As at the Latest Practicable Date, the Company has no plan to grant any Options under the New Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Division of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

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.

The New Share Option Scheme does not constitute the issue of award shares. Should the Company adopt a share award scheme in the future, the Company will comply with the requirements of the amendments to Chapter 17 of the Listing Rules which will take place on 1 January 2023.

Document available for inspection

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (www.1166hk.com), for a period of not less than 14 days before the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting (and any adjournment thereof, as the case may be).

NOTICE OF THE AGM

Notice of the AGM is set out in Appendix IV to this circular. A form of proxy for appointing proxy is also enclosed with this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.1166hk.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 11:00 a.m. on Saturday, 3 December 2022) or any adjournment thereof.

Shareholders whose names appear on the register of members of the Company on Monday, 5 December 2022 will be entitled to attend and vote at the AGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM pursuant to bye-law 66 of the Bye-laws. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on any resolutions to be approved at the AGM.

RECOMMENDATION

The Directors consider that the proposed granting of the Issue Mandate and the Share Buy-back Mandate to the Directors, the re-election of the retiring Directors and continuing appointment of Independent Non-executive Director who has served more than nine years, and proposed adoption of New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

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.

GENERAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

This Appendix serves as an explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide certain information to the Shareholders for consideration of the proposal to approve the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,374,532,340 Shares in issue.

Subject to the passing of the resolution granting the Share Buy-back Mandate and on the basis that no further Shares would be issued or bought back before the AGM, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 237,453,234 Shares during the course of the period from the AGM to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR SHARE BUY-BACKS

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to buy back its Shares on the Stock Exchange. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF BUY-BACKS

Buy-backs made pursuant to the Share Buy-back Mandate shall be funded out of cash flow or working capital facilities of the Group which will be funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the Shares bought back will be cancelled and the Company's issued share capital will be reduced by the nominal value of those Shares being bought back accordingly. However, the aggregate amount of the Company's authorised capital will not be reduced.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Company's annual report for the year ended 30 June 2022, being the date of its latest audited consolidated financial statements) in the event that the Share Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

4. SHARE PRICES

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

Month	Share prices per Share	
	Highest HK\$	Lowest HK\$
2021		
November	0.101	0.071
December	0.093	0.062
2022		
January	0.079	0.064
February	0.086	0.050
March	0.084	0.051
April	0.070	0.058
May	0.073	0.059
June	0.090	0.058
July	0.093	0.067
August	0.077	0.063
September	0.072	0.058
October	0.075	0.053
1 November to the Latest Practicable Date	0.067	0.061

5. GENERAL

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company or its subsidiaries, if the Share Buy-back 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 only exercise the Share Buy-back Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the regulations set out in the Bye-laws.

The Company has not been notified by any core connected person of the Company (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Share Buy-back Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If, as a result of a buy-back of Shares, 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, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, the Company did not have substantial Shareholders. Such an increase will not trigger any mandatory general offer obligations under the Takeovers Code. Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any buy-back of Shares made under the Share Buy-back Mandate.

7. REPURCHASE OF SHARES MADE BY THE COMPANY

In the last six months preceding the Latest Practicable Date, the Company had not bought back any Shares, whether on the Stock Exchange or otherwise.

Pursuant to the Listing Rules, the particulars of the Directors who will retire at the AGM according to the Bye-laws of the Company and who are proposed to be re-elected at the AGM are provided below:

EXECUTIVE DIRECTORS

Mr. Chau Lai Him (“**Mr. Chau**”), aged 71, is the chairman and managing director of the Company and the founder of the Group. He has been appointed as an executive Director of the Company since November 1996. He is responsible for the overall management, strategic planning and business development of the Group. He has more than 40 years’ experience in the cable and wire industry and extensive experience in the mining industry. Mr. Chau is the father of Mr. Chau Chi Ho, an executive Director. Save as disclosed herein, Mr. Chau does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Chau did not have any interests in the securities of the Company within the meaning of Part XV of the SFO. Mr. Chau does not have a service contract with the Company and is entitled to the remuneration of approximately HK\$6,600,000 per annum which is determined by the Board based on, amongst other things, his duties, level of responsibilities and performance of the Group. He is subject to retirement by rotation and re-election at least once three years in accordance with the Bye-laws of the Company. Mr. Chau has not held other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. In addition, as disclosed in the Company’s announcement dated 5 June 2020, legal action has been taken by CS Asia Opportunities Master Fund to join, among other things, Mr. Chau (as a defendant) to the legal proceedings in High Court of Hong Kong against one Mr. Zhou (“**Mr. Zhou**”) in relation to a purported oral guarantee given by Mr. Chau and/or Mr. Chau Chi Ho, an executive Director and son of Mr. Chau, for the amounts owing by Mr. Zhou who was allegedly to be in breach of, among others, an equity swap transaction confirmation dated 31 May 2018 and entered into between CS Asia Opportunities Master Fund and Mr. Zhou. Mr. Chau has already engaged legal advisers to handle and defend the proceedings. Save as disclosed herein, there are no other matters concerning Mr. Chau that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

Mr. Liu Dong Yang (“**Mr. Liu**”), aged 48, joined the Group in September 1995 and has been appointed as an executive Director since January 2010. Mr. Liu is the general manager of Shanghai Chau’s Electrical Company Limited (“**Shanghai Chau’s**”) which is an indirect wholly-owned subsidiary of the Company and is responsible for its overall operations. He holds a college diploma in international finance from Hunan Finance and Economics College and a bachelor degree in business administration from the distance education college of Renmin University of China. He has more than 25 years’ experience in finance and accounting and has more than 20 years’ experience in manufacturing management. Mr. Liu is entitled to receive a basic salary of RMB216,000 per annum (equivalent to approximately HK\$238,000) and a discretionary performance bonus in his capacity as the general manager of Shanghai Chau’s. Mr. Liu does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Liu did not have

any interests in the securities of the Company within the meaning of Part XV of the SFO. Mr. Liu does not have a service contract with the Company and is entitled to a fixed director's fee of HK\$331,200 per annum which was determined with reference to prevailing market rates. He is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws of the Company. Mr. Liu has not held other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed herein, there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) (inclusive) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lo Chao Ming ("Mr. Lo"), aged 57, has been appointed as an independent non-executive director of the Company since November 2006. Mr. Lo is the general manager of Sunf Pu Technology Co., Ltd., a company incorporated in Taiwan, Republic of China. He has more than 30 years' experience in the cable and wire industry. Mr. Lo has been appointed as an independent non-executive Director since 16 November 2006 and has been in such office for more than 9 years as at the Latest Practicable Date. Mr. Lo confirmed that he has satisfied all factors set out in Rule 3.13 of the Listing Rules in assessing his independence. The Board believes that Mr. Lo will continue to be independent and should be re-elected because of his extensive knowledge and experience in the cable and wire industry. Mr. Lo does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lo was interested in 300,000 ordinary shares of the Company within the meaning of Part XV of the SFO. Mr. Lo does not have a service contract with the Company and he is entitled a fixed director's fee of approximately HK\$104,400 per annum which was determined with reference to prevailing market rates. He is subject to retirement by rotation and re-election at least once every three years in accordance with the Bye-laws of the Company. Mr. Lo has not held other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed herein, there are no other matters concerning Mr. Lo that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of principal terms of the New Share Option Scheme proposed to be approved at the AGM:

(a) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives and /or rewards to Eligible Participants to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contributions and continuing efforts to promote the interests of the Group and to enable the Group to recruit and retain high calibre employees.

(b) Eligible Participants

An Eligible Participant means Employee Participant (including Directors and employees of the Company or any of its subsidiaries) or Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group.

The Board shall determine the basis of eligibility of each Eligible Participant by taking into account such factors as the Board may at its discretion consider appropriate. The Directors will assess the eligibility of each of the Eligible Participants on a case-by-case basis.

With respect to Employee Participants, the Board will consider, amongst others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.

Further, with respect to the eligibility of each category of the Service Providers, the Board will consider the following factors:

(i) *Supplier of goods*

The Board will take into account, amongst others, (1) the nature, reliability and quality of the raw materials or goods supplied; (2) the frequency of transactions with the relevant Service Provider, (3) the length of business relationship with the Group and/or (4) the potential and/or actual contribution to the business affairs of the Group, including revenue or profits attributable to or brought by products using raw materials or goods supplied by such Service Providers;

(ii) Advisor, consultant, business or joint venture partner, contractor, agent or representative of any member of the Group

The Board will take into account, amongst others, (1) the potential and/or actual scale and degree of cooperation with the Group, (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility);

(iii) A person or entity that engages in design and/or research and development work for any member of the Group

The Board will take into account, amongst others, (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided, (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

In order to be eligible for participating in the New Share Option Scheme, all Service Providers must have supplied goods or rendered services for three times or more to the Group for at least 12 months prior to the Date of Grant, and

- (a) the scale of the relevant Service Provider's business dealings with the Group in terms of purchase attributable to such Service Provider in category (i) above shall generally represent not less than 5% of the Group's turnover of the business segment of the Group in which such Service Provider is involved in the last financial year; or
- (b) the contribution to the Group's revenue or profit in the relevant business segment in the last financial year attributable to relevant Service Provider in categories (ii) or (iii) above shall generally represent not less than 5% of the Group's turnover of the business segment of the Group in which such Service Provider is involved in the last financial year, and an increase of not less than 5% on a year-to-year basis.

APPENDIX III SUMMARY OF THE KEY TERMS OF THE NEW SHARE OPTION SCHEME

To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, when determining the eligibility of a Service Provider, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

(c) Maximum number of Shares

- (aa) The maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes existing at such time (including the New Share Option Scheme) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of Shareholders' approval of the New Share Option Scheme (the "**Scheme Mandate Limit**"). Within the Scheme Mandate Limit, the number of Shares which may be issued upon exercise of all options to be granted to the Service Providers under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 3% of the total number of Shares in issue as at the date of Shareholders' approval of the New Share Option Scheme (the "**Service Provider Sublimit**"), subject to separate approval by the Shareholders in general meeting.
- (bb) The Company may seek approval of the Shareholders in general meeting every three years to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit. Independent Shareholders' approval are required for refreshment of Scheme Mandate Limit or the Service Provider Sublimit within a three-year period.
- (cc) The Company shall issue a circular to the Shareholders and seek separate Shareholders' approval in general meeting to grant options beyond the Scheme Mandate Limit and/or the Service Provider Sublimit or, if applicable, the limit referred to in (bb) above to Eligible Participants specifically identified by the Company before such approval is sought.

(d) Maximum entitlement of each participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time, unless such grant has been separately approved by resolution the Shareholders in general meeting in the manner prescribed by the relevant provisions of the Listing Rules, at which the relevant grantee and his/her close associates (or associates if the relevant grantee is a connected person of the Company) abstained from voting.

(e) Offer and grant of Options

Subject to the terms of the New Share Option Scheme, the Board shall be entitled (but not bound) at any time within 10 years after the Adoption Date to offer the grant of an Option to any Eligible Participant (“**Grantee**”) as the Board may in its absolute discretion select to take up an Option pursuant to which such Eligible Participant may, during the Option Period (as defined in paragraph (j) of this appendix below), subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the New Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

Subject to the terms of the New Share Option Scheme, the Board may in its absolute discretion when offering the grant of an Option specify such conditions, restrictions or limitations in relation thereto in addition to those set forth in the New Share Option Scheme as the Board may think fit when making an offer to an Eligible Participant (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme.

(f) Granting Options to Connected Persons

Subject to the terms in the New Share Option Scheme, only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective close associates, such offer must first be approved by the independent non-executive Directors (excluding the independent non-executive Director who or whose associates is the Grantee).

Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding but excluding any options lapsed in accordance with the terms of the New Share Option Scheme) to such person in the 12-month period up to and including the Date of Grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders in general meeting, at which the Grantee, his/her associates and all core connected persons of the Company (as defined in the Listing Rules) must abstain from voting in favour of the relevant resolution. The Company shall send a circular to Shareholders containing the information required under the Listing Rules.

Approval from Shareholders is required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder or an independent non-executive Director or any of their respective close associates.

(g) Offer period and number accepted

An Option shall be deemed to have been granted and accepted by the Eligible Participant and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee 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 on or before 28 days after the offer date. To the extent that an offer is not accepted within the time stated in the offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option.

(h) Restriction on the time of grant of Options

The Board shall not grant any Option under the New Share Option Scheme after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

(i) Subscription price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine but the subscription price shall be at least the highest of:

- (aa) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a business day;
- (bb) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and
- (cc) the nominal value of the Shares.

(j) Exercise of Option

An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option Period (as defined below) in the manner as set out in this scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. “**Option Period**” means a period to be determined and notified by the Board to the grantee during which period the Option may be exercised and in any event shall commence after 12 months of the date on which the offer in relation to such Option is accepted, subject to any shorter vesting period for Options to be granted to Employee Participants, and shall not exceed 10 years commencing from the aforesaid date of acceptance. Any shorter vesting period in respect of Options granted to Employee Participants must be approved by the Board and/or the remuneration committee of the Company (for Options granted to the Directors or senior managers) at the Directors’ discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The specific circumstances giving rise to shorter vesting period include, amongst others:

- (i) grants of compensatory Options to Employee Participants who are new joiners of the Group to replace their original share awards forfeited when leaving their previous employers. The vesting period of such Options shall reflect the remainder of the vesting period on the forfeited awards to the extent that the latter may have less than 12 months to run;
- (ii) grants to an Eligible Participant whose employment or contract for service is terminated due to death or disability or occurrence of any out-of-control event;
- (iii) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
- (iv) grants of Options in batches during a year for administrative and compliance reasons, such as where Options that should have been granted earlier but had to wait for a subsequent batch to reflect the time from which the Options would have been granted; and
- (v) grants of Options with a mixed or accelerated vesting schedule such as where Options may vest evenly over a period of 12 months.

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

APPENDIX III SUMMARY OF THE KEY TERMS OF THE NEW SHARE OPTION SCHEME

Subject as hereinafter provided:

- (aa) where the holder of an outstanding Option ceases to be an Eligible Participant for any reason, the Option, or any part of the Option which has yet to be vested and/or exercisable prior to the date of cessation shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Options shall be exercisable to the extent and within such period (not exceeding 30 days) as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Group, his last actual working day at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Group, the date on which the relationship constituting him an Eligible Participant ceases;
- (bb) where the holder of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such holder or, if appropriate, an election made pursuant to the terms of this scheme by his or her personal representatives within 12 months of the date of death;
- (cc) if a general offer by way of a take-over is made to all the Shareholders (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) and such offer becomes or is declared unconditional, the holders of outstanding Options (or his personal representatives) may by notice in writing to the Company within 14 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to such 14 day period shall lapse in such situation;
- (dd) if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the holders of outstanding Options (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company within 14 days of such approval exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 days shall lapse in such situation; and

(ee) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, each holder of outstanding Options (or his or her personal representatives) shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than three business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to such holder credited as fully paid.

(k) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws and the Companies Act (as revised) of Bermuda as amended from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first date of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date 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, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date herefor shall be before the allotment date.

Prior to the Grantee being registered as a Shareholder on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions or any rights arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

(l) Life of Share Option Scheme

Subject to the terms of the New Share Option Scheme, it shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

(m) Lapse of an Option

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- the expiry of the Option Period;
- the expiry of any of the period referred to paragraphs related to exercise of Option in this appendix;
- subject to the period mentioned in paragraph (ee) of “Exercise of Option” in this appendix, the date of the commencement of the winding-up of the Company;
- the date on which the Grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract or arrangement constituting him an Eligible Participant, or the date on which begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he has been convicted of any criminal offence involving his or her integrity or honesty;
- if an Option was granted subject to certain conditions, restrictions or limitation, the date on which such conditions, restrictions or limitation is not satisfied or capable of being satisfied; or
- the date on which a holder of outstanding Options commits a breach of the transferability prohibition. No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

(n) Adjustment

In the event of any alteration to the capital structure of the Company whilst any Option remains outstanding, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- the maximum number of Shares subject to the New Share Option Scheme;
- the number of Shares subject to the Option already granted so far as unexercised;
or
- the subscription price of each outstanding Option,

APPENDIX III SUMMARY OF THE KEY TERMS OF THE NEW SHARE OPTION SCHEME

provided that:

- no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;
- the maximum number of Shares subject to all share option schemes of the Company (including the New Share Option Scheme) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of Shares at the date immediately before and after such alteration in the capital structure of the Company shall be the same, rounded to the nearest whole Share;
- no such adjustments shall be made which would result in the subscription price for a Share being less than its nominal value, provided that in such circumstances the subscription price shall be reduced to the nominal value;
- any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors of the Company (the “**Auditors**”) in writing to the Directors that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Board is fair and reasonable; and
- any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall, upon receipt of a notice from a Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the independent financial adviser or the Auditors (as the case may be) 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 independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard.

(o) Termination

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(p) Transferability

The Option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do.

(q) Performance target

Save as determined at the discretion of the Board and provided in the Offer of the grant of the relevant Options, there is no performance target which must be achieved before any Options can be exercised.

(r) Alteration

The New Share Option Scheme may be altered in any respect by resolution of the Board, except that the specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with eligible participants and their associates abstaining from voting).

Any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall not be valid unless approved by Shareholders in general meeting.

Any alterations to the provisions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme. The Board's determination as to whether any proposed alteration to the provisions of the Scheme is material shall be conclusive.

The amended terms of the New Share Option Scheme or the Options must comply with Chapter 17 of the Listing Rules.

APPENDIX III SUMMARY OF THE KEY TERMS OF THE NEW SHARE OPTION SCHEME

Any change to the terms of options or awards granted to a participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be), except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme.

(s) Cancellation of Options granted

The Company may cancel an Option granted but not exercised with the approval of the Grantee of such Option.

Options may be granted to an Eligible Participant in place of his cancelled Options provided that there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit of the New Share Option Scheme (or similar limit under any other scheme adopted by the Company) from time to time.

The Board shall be entitled to cancel any outstanding Options of a Grantee if, (a) with respect to an Employee Participant, the Grantee ceases to be a director or an employee of the Company or any of its subsidiaries, or the Company's holding company, its fellow subsidiaries or associated companies, commits a serious breach of the terms of his/her service contract or employment or commits serious misconduct; or, (b) with respect to a Service Provider, the Grantee ceases to be a service provider of the Company or any of its subsidiaries or the business relationship between the Grantee and the Company or any of its subsidiaries has been terminated.

**SOLARTECH INTERNATIONAL HOLDINGS LIMITED****星凱控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 1166)****NOTICE OF 2022 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (the “**Meeting**”) of Solartech International Holdings Limited (the “**Company**”) will be held at Chairman’s Place, M/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 5 December 2022 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements and the directors’ report and the auditor’s report for the year ended 30 June 2022.
2. To re-elect Mr. Chau Lai Him as an Executive Director of the Company and to authorise the board of directors to fix his remuneration.
3. To re-elect Mr. Liu Dong Yang as an Executive Director of the Company and to authorise the board of directors to fix his remuneration.
4. To re-elect Mr. Lo Chao Ming as an Independent Non-executive Director of the Company and to authorise the board of directors to fix his remuneration.
5. To re-appoint BDO Limited as auditor of the Company and to authorise the board of directors to fix the auditor’s remuneration.

As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

6. A. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the

* for identification purposes only

“Shares”) and to make or grant offers, agreements, and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the expiry of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval granted in paragraph (a) of this resolution, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) an issue of Shares as scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;
 - (3) an issue of Shares by the exercise of options granted under any share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; or
 - (4) a specific authority granted or to be granted by the shareholders of the Company in general meeting;

shall not exceed 20 per cent of the aggregate number of Shares in issue as at the date of passing of this resolution, and the approval granted in paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

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

B. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (the “**Recognised Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be bought back or agreed to be bought back by the Company pursuant to the approval granted in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate number of Shares in issue as at the date of passing of this resolution, and the approval granted under paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon the passing of resolutions 6A. and 6B. as set out in the notice convening the Meeting, the general mandate granted to the directors of the Company (the “**Directors**”) to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements, and options which would or might require the exercise of such powers, pursuant to resolution 6A. be and is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate, the aggregate number of Shares bought back by the Company under the authority granted pursuant to resolution 6B. provided that such number shall not exceed 10 per cent of the aggregate number of Shares in issue as at the date of passing of this resolution.”
7. “**THAT**, subject to and conditional upon the Listing Division of the Stock Exchange granting approval of the listing of, and permission to deal in, Shares which may fall to be issued pursuant to the exercise of any options under the new share option scheme of the Company, as defined and summarised in the circular dated 10 November 2022 of the Company (the rules of which are contained in the document produced to the meeting marked “A” and initialed by the chairman of the Meeting for the purposes of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted by the Company and that the board of Directors be and is 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:
- (a) to administer the New Share Option Scheme under which options will be granted (whether with or without any conditions, restrictions or limitations as it may think fit) to eligible participants under 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;
- (b) 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 of Hong Kong Limited (the “**Listing Rules**”);

- (c) to grant share options under the New Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme subject to the Listing Rules and the Companies Act (as revised) of the Bermuda, as amended, modified and supplemented from time to time (the “**Companies Act**”);
- (d) to make application at the appropriate time or times to the Stock Exchange for listing of and permission to deal in any Shares which may from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme subject to the Listing Rules and the Companies Act; and
- (e) to consent, if it so deems 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 and subject to the Listing Rules and the Companies Act.”

8. “**THAT**

- (a) conditional upon the New Share Option Scheme of the Company being approved and adopted by way of the ordinary resolution of the Company numbered 7 above and within the Scheme Mandate Limit (as defined in the New Share Option Scheme), the limit on the grant of share options to the Service Providers of the Company (as defined in the New Share Option Scheme) under all share option schemes of the Company (including the New Share Option Scheme) being 3% of the Shares in issue as at the date of passing this resolution (the “**Service Provider Sublimit**”) be and is hereby approved; and
- (b) the board of Directors of the Company be and is hereby authorised, subject to compliance with the Listing Rules, to grant share options to the Service Providers under the New Share Option Scheme up to the Service Provider Sublimit and to exercise all the powers of the Company to allot, issue and deal with Shares pursuant to the exercise of such share options.”

For and on behalf of the Board
Solartech International Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong
10 November 2022

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or more (if he holds more than one share) proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time appointed for holding the Meeting (i.e. not later than 11:00 a.m. on Saturday, 3 December 2022) or any adjournment thereof.
- (2) The register of members of the Company will be closed for the purpose of holding the Meeting from Wednesday, 30 November 2022 to Monday, 5 December 2022 both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 29 November 2022. Shareholders whose names appear on the register of members of the Company on Monday, 5 December 2022 will be entitled to attend and vote at the AGM.
- (3) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, an explanatory statement containing further details regarding resolution 6B. as set out in this notice is set out in Appendix I to the circular to the shareholders of the Company dated 10 November 2022 (the "Circular").
- (4) With respect to resolutions 2, 3 and 4, Messrs. Chau Lai Him, Liu Dong Yang and Lo Chao Ming will retire from office as directors at the Meeting and each of the aforementioned directors, being eligible, will offer themselves for re-election at the Meeting pursuant to bye-law 84 of the Bye-laws of the Company. Particulars of these directors required to be disclosed by the Listing Rules are set out in the Circular.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
- (6) Delivery of the form of proxy will not preclude a member from attending and voting in person at the Meeting and in such event, the form of proxy shall be deemed to be revoked.
- (7) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company.
- (8) **If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 8:30 a.m. on 5 December 2022, the Meeting will not be held on 5 December 2022, but it will be held on the first Business Day immediately after 5 December 2022 at the same time and at the Company's Head Office and principal place of business in Hong Kong, Unit 15, 18/F., Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong. "Business Day", in this context, shall mean a day (excluding Saturday) on which banks are open for general banking business in Hong Kong.**
- (9) **Precautionary measures for the Meeting**

The Company will implement the following precautionary measures at the Meeting against the COVID-19 pandemic to protect the attendees from the risk of infection:

- (i) Compulsory body temperature check will be conducted for every member or proxy at the entrance of the Meeting venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the Meeting venue;

- (ii) Every member or proxy must scan the “**LeaveHomeSafe**” venue QR code and comply with the requirements of the “**Vaccine Pass Direction**”[#] prior to entry into the Meeting venue;
- (iii) Every member or proxy must wear a self-prepared surgical face mask throughout the Meeting. Any person who refuses to follow the aforesaid will not be admitted to the Meeting venue;
- (iv) No refreshments and drinks will be served at the Meeting;
- (v) Hand sanitiser is available at the entrance of the Meeting venue; and
- (vi) Every member or proxy must comply with the requirements of the venue where the Meeting will be held.

[#] “**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 does not (a) 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 Meeting venue at the absolute discretion of the Company.

The Company will limit attendance in person at the Meeting venue in accordance with prevailing requirements or guidelines published by the HKSAR Government and/or regulatory authorities at the time of the Meeting. The Company will continue to closely monitor the development of the pandemic situation in Hong Kong and the latest announcement published by the HKSAR Government in respect of the latest social distancing measures and further update on the Meeting arrangements. Given the limited capacity of the Meeting venue and the requirements for social distancing, shareholders/members of the Company and/or their proxies will be admitted to the Meeting venue on a “first-come-first-served” basis.

Furthermore, the Company wishes to strongly advise the members, particularly those who are unwell or subject to quarantine in relation to COVID-19, that they may appoint the chairman of the Meeting as a proxy to vote on the resolution(s), instead of attending the Meeting in person, by completing and returning the form of proxy attached to this document. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

The Company will keep the COVID-19 situation under review and may implement additional measures which, if any, will be announced at a time closer to the date of the Meeting.

- (10) The directors of the Company as at the date of this notice are Messrs. Chau Lai Him, Chau Chi Ho and Liu Dong Yang being the Executive Directors, and Messrs. Chung Kam Kwong, Lo Wai Ming and Lo Chao Ming being the Independent Non-executive Directors.
- (11) References to time and dates in this notice are to Hong Kong time and dates.