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

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

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

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**SOLOMON  
SYSTECH**

**SOLOMON SYSTECH (INTERNATIONAL) LIMITED**

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

**(Stock Code: 2878)**

**GENERAL MANDATES TO REPURCHASE SHARES AND  
ISSUE NEW SHARES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
ADOPTION OF 2013 SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual General Meeting of Solomon Systech (International) Limited (the "Company") to be held at 4:00 p.m. on Tuesday, 28 May 2013 at 29A, Admiralty Centre I, 18 Harcourt Road, Hong Kong is set out on pages 26 to 30 of this circular. In the event you are not able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof should you so wish.

23 April 2013

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:*

“2013 Share Option Scheme”	the 2013 share option scheme proposed to be approved by the Shareholders at the Annual General Meeting; a summary of the principal terms of the new option scheme is set out in Appendix C to this circular
“Adoption Date”	the proposed adoption date of the 2013 Share Option Scheme, being 28 May 2013
“Annual General Meeting”	the annual general meeting of the Company to be held on Tuesday, 28 May 2013 at 4:00 p.m. at 29A, Admiralty Centre I, 18 Harcourt Road, Hong Kong or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 26 to 30 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors, or with respect to the 2013 Share Option Scheme, any committee from time to time established by the board of Directors for the purpose of administering the 2013 Share Option Scheme or the Remuneration Committee, as any of them may have taken action or made decision or determination at any time in relation to the 2013 Share Option Scheme
“business day”	any day (other than a Saturday and a Sunday) on which the Stock Exchange is open for the business of trading in securities
“Company”	Solomon Systech (International) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Date of Grant”	the date (which shall be a business day) on which the Board resolves to make an offer of an Option to a Participant as determined in accordance with the 2013 Share Option Scheme
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s)) of any member of the Group
“Exchange’s Website”	the official website of Hong Kong Exchanges and Clearing Limited and/or the website “HKExnews”

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## DEFINITIONS

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“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 19 March 2004
“Grantee”	any Participant who accepts an offer of Option in accordance with the terms of the 2013 Share Option Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Option”	a right granted for the subscription of Shares pursuant to the 2013 Share Option Scheme
“Participant(s)”	<p>any person belonging to any of the following classes of persons:</p> <ul style="list-style-type: none"><li>(a) any director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group;</li><li>(b) any Eligible Employee;</li><li>(c) any adviser or consultant of any member of the Group;</li><li>(d) any agent, distributor, contractor, contract manufacturer, supplier or service provider of any member of the Group;</li><li>(e) any customer of the Group; and</li><li>(f) any business partner or joint venture business partner of any member of the Group</li></ul>

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## DEFINITIONS

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“Remuneration Committee”	the committee appointed by the Board to determine matters relating to, <i>inter alia</i> , the remuneration of the directors and senior management of the members of the Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company or, if there has been any subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shares Buyback Mandate”	as defined in the section headed “Shares Buyback Mandate” of the Letter from the Board
“Shares Issuance Mandate”	as defined in the section headed “Shares Issuance Mandate” of the Letter from the Board
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission in Hong Kong, as amended from time to time

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LETTER FROM THE BOARD OF DIRECTORS

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**SOLOMON  
SYSTECH**

**SOLOMON SYSTECH (INTERNATIONAL) LIMITED**

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

**(Stock Code: 2878)**

*Directors:*

Leung Kwong Wai (*Managing Director*)  
Lai Woon Ching  
Lam Pak Lee\* (*Sheu Wei Fu as his alternate*)  
Li Xiaochun\*  
Lai Weide\*  
Zhao Guiwu\*  
Sun, Patrick\*\* (*Chairman*)  
Choy Kwok Hung, Patrick\*\*  
Wong Yuet Leung, Frankie\*\*  
Yiu Tin Chong, Joseph\*\*

\* *Non-Executive Directors*

\*\* *Independent Non-Executive Directors*

*Registered office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Principal place of business  
in Hong Kong:*

6/F, No.3, Science Park East Avenue  
Hong Kong Science Park  
Shatin, New Territories  
Hong Kong

23 April 2013

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES AND  
ISSUE NEW SHARES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
ADOPTION OF 2013 SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting to the Directors of the Shares Buyback Mandate and the Shares Issuance Mandate to repurchase Shares and to issue new Shares respectively; (ii) the extension of the Shares Issuance Mandate by adding to it the aggregate

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## LETTER FROM THE BOARD OF DIRECTORS

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nominal amount of Shares repurchased by the Company pursuant to the Shares Buyback Mandate; (iii) the re-election of the retiring Directors and (iv) the adoption of 2013 Share Option Scheme and termination of Existing Share Option Scheme.

### **II. GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES**

#### **1. Shares Buyback Mandate**

At the annual general meeting of the Company held on 24 May 2012, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of a new general mandate to the Directors to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution at the Annual General Meeting (the “Shares Buyback Mandate”).

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Shares Buyback Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Shares Buyback Mandate is set out in Appendix A to this circular.

#### **2. Shares Issuance Mandate**

At the annual general meeting of the Company held on 24 May 2012, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the grant of a new general mandate to the Directors to allot, issue or deal with additional Shares of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution at the Annual General Meeting (the “Shares Issuance Mandate”). An ordinary resolution to extend the Shares Issuance Mandate by adding the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Shares Buyback Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Shares Issuance Mandate.

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## LETTER FROM THE BOARD OF DIRECTORS

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### III. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 112 of the Articles of Association, Mr. Choy Kwok Hung, Patrick, Mr. Lai Weide, Mr. Li Xiaochun and Mr. Zhao Guiwu, Directors of the Company, will retire by rotation at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Mr. Choy Kwok Hung, Patrick was appointed as an Independent Non-Executive Director of the Company on 25 February 2004 and has been serving as an Independent Non-Executive Director of the Company for more than 9 years. Mr. Choy has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr. Choy still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience and knowledge to the Board. The Board thus supports the decision of Mr. Choy to offer himself for re-election as an Independent Non-Executive Director at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix B to this circular.

### IV. PROPOSAL FOR ADOPTION OF THE 2013 SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Board proposes to replace the Existing Share Option Scheme by the 2013 Share Option Scheme. A proposal will be made at the Annual General Meeting to seek Shareholders' approval of the adoption of the 2013 Share Option Scheme and the termination of the Existing Share Option Scheme. According to the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the same, in which event no further options under the Existing Share Option Scheme will be offered but in all other respects the provisions of the same shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the same.

As at the Latest Practicable Date, options to subscribe for an aggregate of 28,000,000 Shares had been granted and remained outstanding under the Existing Share Option Scheme. The Board has no intention to grant further options under the Existing Share Option Scheme from the Latest Practicable Date up to the date of the Annual General Meeting.



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## LETTER FROM THE BOARD OF DIRECTORS

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The Existing Share Option Scheme shall be terminated on the date on which the 2013 Share Option Scheme comes into effect upon satisfaction of the following conditions:-

- (1) the passing of an ordinary resolution approving, *inter alia*, the adoption of the 2013 Share Option Scheme by the Shareholders and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the 2013 Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of the Options granted under the 2013 Share Option Scheme.

If the above condition (2) is not satisfied on or before the date following six months after the Adoption Date (or such later date as the Board may decide), the 2013 Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2013 Share Option Scheme.

A summary of the principal terms of the 2013 Share Option Scheme is set out in Appendix C to this circular. The purpose of the 2013 Share Option Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders.

The 2013 Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, at the time of the grant of the Options, the Company may specify such minimum period or performance target and the terms of the 2013 Share Option Scheme provided that the Board may determine, at its sole discretion, such terms(s) on the grant of an Option. The basis for determination of the exercise price is also specified in the terms of the 2013 Share Option Scheme. The Directors consider that the aforesaid criteria and terms will serve to preserve the value of the Company and encourage Participants to acquire proprietary interests in the Company.

The Directors believe that any calculation of the fair value of the Options as at the Latest Practicable Date before the Options are actually granted would not be meaningful and would be misleading to Shareholders, because any valuation of the fair value of the Options would have to be based on the circumstances as at the Latest Practicable Date, but Options would not be granted until the 2013 Share Option Scheme is approved i.e. after the Latest Practicable Date. Given also the fact that there are various factors relevant to each individual grant (including vesting periods), such valuation figure cannot be relied upon as being an accurate measure of the fair value of all Options that may, in the future, be granted.

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## LETTER FROM THE BOARD OF DIRECTORS

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However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations and cost of Options granted during any financial period based on the Black-Scholes option pricing model, the binominal option pricing model or a comparable based on generally accepted methodology will be provided in the Company's annual report and interim report, in accordance with the generally accepted accounting principles in Hong Kong.

None of the Directors is a trustee of the 2013 Share Option Scheme or has any direct or indirect interest in such trustee, if any.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the 2013 Share Option Scheme or not raising any objection thereto and for 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 2013 Share Option Scheme.

The full terms of the 2013 Share Option Scheme can be inspected at the Company's principal place of business in Hong Kong at 6/F, No. 3 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories during normal business hours from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

### V. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 26 to 30 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the Shares Buyback Mandate and the Shares Issuance Mandate, the extension of the Shares Issuance Mandate by addition thereto of the aggregate nominal amount of Shares repurchased pursuant to the Shares Buyback Mandate, the re-election of the retiring Directors and the adoption of the 2013 Share Option Scheme and the termination of the Existing Share Option Scheme. No Shareholder is required to abstain from voting at the Annual General Meeting.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published on the Exchange's Website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.solomon-systech.com](http://www.solomon-systech.com)) after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the Exchange's Website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.solomon-systech.com](http://www.solomon-systech.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meeting thereof should you so wish.

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## LETTER FROM THE BOARD OF DIRECTORS

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### VI. 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.

### VII. RECOMMENDATIONS

The Directors are of the opinion that the proposed granting of the Shares Buyback Mandate, the proposed granting/extension of the Shares Issuance Mandate, the proposed re-election of the retiring Directors and the proposed adoption of the 2013 Share Option Scheme and the termination of the Existing Share Option Scheme are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### VIII. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix A (Explanatory Statement on the Shares Buyback Mandate), Appendix B (Details of the retiring Directors proposed to be re-elected at Annual General Meeting) and Appendix C (Principal Terms of the 2013 Share Option Scheme) to this circular.

Yours faithfully,  
For and on behalf of  
**Solomon Systech (International) Limited**  
**Leung Kwong Wai**  
*Managing Director*

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## APPENDIX A      EXPLANATORY STATEMENT ON THE SHARES BUYBACK MANDATE

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*The following is the explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the Shares Buyback Mandate.*

### (1) **Share Capital**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$245,630,235.10, comprising 2,456,302,351 Shares of HK\$0.10 each. Subject to the passing of ordinary resolution No. 4 set out in the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Directors would be authorised under the Shares Buyback Mandate to repurchase, during the period in which the Shares Buyback Mandate remains in force, an aggregate nominal amount of Shares up to HK\$24,563,023.50 (equivalent to 245,630,235 Shares), representing 10% of the aggregate nominal amount of Shares in issue as at the date of the Annual General Meeting.

### (2) **Reasons for Shares Buyback**

The Directors believe that the proposed granting of the Shares Buyback Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the grant of the Shares Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### (3) **Funding of Repurchases**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company, the applicable laws of the Cayman Islands and any other applicable laws, as the case may be.

### (4) **Impact of Repurchase**

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 annual report of the Company for the year ended 31 December 2012) in the event that the Shares Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Shares Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

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**APPENDIX A      EXPLANATORY STATEMENT ON THE SHARES BUYBACK MANDATE**

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**(5) Market Price of Shares**

The highest and lowest prices at which Shares of the Company have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2012</b>		
April	0.220	0.202
May	0.230	0.189
June	0.230	0.202
July	0.217	0.193
August	0.218	0.192
September	0.225	0.201
October	0.234	0.203
November	0.250	0.216
December	0.230	0.186
<b>2013</b>		
January	0.237	0.186
February	0.228	0.205
March	0.233	0.200
April (up to the Latest Practicable Date)	0.217	0.200

**(6) General**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Shares Buyback Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so in the event that the granting of the Shares Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Shares Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

**(7) Takeovers Code**

If, as a result of a repurchase of Shares pursuant to the Shares Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and hereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, China Electronics Corporation, the substantial shareholder of the Company (as defined in the Listing Rules) was interested in 687,784,000 Shares, representing approximately 28% of the total issued share capital of the Company.

On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise the proposed Shares Buyback Mandate in full, the shareholding of China Electronics Corporation would be increased to approximately 31.11% of the issued share capital of the Company. The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Shares Buyback Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

**(8) Repurchase of Shares made by the Company**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

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**APPENDIX B            DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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Stated below are the details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting:

**Mr. Choy Kwok Hung, Patrick, aged 70, an Independent Non-Executive Director**

*Positions and Experience*

Mr. Choy Kwok Hung, Patrick is an Independent Non-Executive Director and a member of Audit Committee, Investment Committee and Remuneration Committee of the Company. Mr Choy is a director of Beijing LED Lighting Engineering Co. Ltd., an associated company of the Group.

Mr. Choy retired from Motorola as corporate vice president. He is the founder and chairman of Global Strategy Group. He is also an executive director and chairman of China Financial Leasing Group Limited (a company listed on the Stock Exchange). Saved as disclosed above, Mr. Choy did not hold any other directorship in companies listed in Hong Kong or overseas in the last three years. Mr. Choy was a member of the Chinese People's Political Consultative Conference (CPPCC), National Committee from 2003 to March 2013.

*Length of Service*

The length of service of Mr. Choy Kwok Hung, Patrick with the Company is 9 years. Mr. Choy has a service contract with the Company starting in February 2004 and was renewed in 2012 for a period of one year to 30 June 2013. Mr. Choy is subject to retirement by rotation and is eligible for re-election in accordance with the Articles of Association.

*Relationships*

Mr. Choy does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Choy was interested or deemed to be interested in 5,912,000 Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

*Director's Emoluments*

Mr. Choy is entitled to US\$17,000 basic fee per annum plus other fees as a member of committees and for his attendance to the Company's Board/Committees' meetings. For the year 2012, Mr. Choy received emoluments of US\$27,000 equivalent and also 800,000 share options under the Existing Share Option Scheme of the Company. Such emoluments were reviewed and approved by the Executive Directors with reference to market terms, his duties and responsibilities, the Group's remuneration policy and the Articles of Association.

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**APPENDIX B                    DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is discloseable nor is Mr. Choy involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Choy that need to be brought to the attention of the Shareholders.

**Mr. Lai Weide, aged 53, a Non-Executive Director**

*Positions and Experience*

Mr. Lai Weide is a Non-Executive Director and a member of the Remuneration Committee of the Company.

Mr. Lai is a senior accountant and he holds a Masters degree in Management Engineering from the University of Electronic Science and Technology in China. He is currently the deputy general manager of China Electronics Corporation (“CEC”), the substantial shareholder of the Company and the chairman of Nanjing CEC-PANDA Information Industry Co., Ltd. Mr. Lai is an executive director and chairman of Nanjing Panda Electronics Company Limited (a company dual listed in the Stock Exchange and the Shanghai stock exchange) and a director of Nanjing Huadong Electronics Information & Technology Co., Ltd. (a company listed in the Shenzhen stock exchange). Mr. Lai used to be the chairman of the supervisory committee of China National Software and Service Company Limited (a company listed in the Shanghai stock exchange). Save as disclosed above, Mr. Lai did not hold any other directorship in companies listed in Hong Kong or overseas in the last three years.

*Length of Service*

The length of service of Mr. Lai Weide with the Company is 2.5 years. Mr. Lai has a service contract with the Company starting in October 2010 and was renewed in 2013 for a period of one year to 31 December 2013. Mr. Lai is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association.

*Relationships*

Save as disclosed above, Mr. Lai does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Lai does not hold any interest in the Shares or underlying Shares of the Company pursuant to Part XV of the SFO.



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**APPENDIX B            DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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*Director's Emoluments*

As a Non-Executive Director, Mr. Lai's remuneration shall be determined by the Executive Directors with reference to market terms and his duty and responsibility. In year 2012, Mr. Lai received a fee of US\$4,000 equivalent as a member of committee and for his attendance to the Company's Board/Committee meetings.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is discloseable nor is Mr. Lai involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Lai that need to be brought to the attention of the Shareholders.

**Mr. Li Xiaochun, aged 48, a Non-Executive Director***Positions and Experience*

Mr. Li Xiaochun is a Non-executive Director and a member of the Audit Committee of the Company.

Mr. Li is a research-grade senior accountant and he holds a Masters degree in Engineering from the Harbin Institute of Technology. He is currently the chief financial officer of CEC, the substantial shareholder of the Company. Mr. Li is the chairman of CEC Corecast Corporation Limited and he used to be a director of Industrial Bank Co. Ltd. (both companies listed in the Shanghai stock exchange). Save as disclosed above, Mr. Li did not hold any other directorship in companies listed in Hong Kong or overseas in the last three years.

*Length of Service*

The length of service of Mr. Li Xiaochun with the Company is 2.5 years. Mr. Li has a service contract with the Company starting in October 2010 and was renewed in 2013 for a period of one year to 31 December 2013. Mr. Li is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association.

*Relationships*

Save as disclosed above, Mr. Li does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Li does not hold any interest in the Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

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**APPENDIX B            DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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*Director's Emoluments*

As a Non-Executive Director, Mr. Li's remuneration shall be determined by the Executive Directors with reference to market terms and his duty and responsibility. In year 2012, Mr. Li received a fee of US\$7,000 equivalent as a member of committee and for his attendance to the Company's Board/Committee meetings.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is discloseable nor is Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

**Mr. Zhao Guiwu, aged 50, a Non-Executive Director***Positions and Experience*

Mr. Zhao Guiwu is a Non-Executive Director and a member of the Investment Committee of the Company.

Mr. Zhao is a senior engineer and he holds a Masters degree in Inorganic Non-metallic Materialism from Tianjin University. He is currently the chairman of Shanghai Huahong Integrated Circuit Co., Ltd., the chairman of Shanghai Belling Co., Ltd. (a company listed in the Shanghai stock exchange) and the non-executive vice-chairman of China Electronics Corporation Holdings Company Limited (a company listed in the Stock Exchange). Save as disclosed above, Mr. Zhao did not hold any other directorship in companies listed in Hong Kong or overseas in the last three years.

*Length of Service*

The length of service of Mr. Zhao Guiwu with the Company is 2.5 years. Mr. Zhao has a service contract with the Company starting in October 2010 and was renewed in 2013 for a period of one year to 31 December 2013. Mr. Zhao is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association.

*Relationships*

Save as disclosed above, Mr. Zhao does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

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**APPENDIX B            DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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*Interests in Shares*

As at the Latest Practicable Date, Mr. Zhao does not hold any interest in the Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

*Director's Emoluments*

As a Non-Executive Director, Mr. Zhao's remuneration shall be determined by the Executive Directors with reference to market terms and his duty and responsibility. In year 2012, Mr. Zhao received a fee of US\$4,000 equivalent as a member of committee and for his attendance to the Company's Board/Committee meetings.

*Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is discloseable nor is Mr. Zhao involved in any of the matters required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Zhao that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the 2013 Share Option Scheme proposed to be approved at the Annual General Meeting:

- (1) The purpose of the 2013 Share Option Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders.
- (2) The Directors may, at their discretion, invite Participants to participate in the 2013 Share Option Scheme. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.
- (3) Initially the maximum number of Shares which may be issued upon exercise of all Options to be granted under the 2013 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10 per cent. of the aggregate of the Shares in issue as at the Adoption Date (such 10 per cent. limit represents 245,630,235 Shares as at the Latest Practicable Date). Options which have lapsed shall not be counted in calculating the 10 per cent. limit. However (but subject to the 30 per cent. limit referred to in this paragraph below), the Company may refresh this 10 per cent. limit with Shareholders' approval provided that each such limit (as refreshed) may not exceed the 10 per cent. of the Shares in issue as at the date of the Shareholders' approval. The Company must send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time. Options previously granted under the 2013 Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable), including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options, will not be counted for the purpose of calculating the limit to be refreshed. The Company may seek separate approval by Shareholders in general meeting for granting Options beyond the 10 per cent. limit provided that the Options in excess of the limit are granted only to Participants specially identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time.

The total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the 2013 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30 per cent. of the Shares in issue from time to time. As at the Latest Practicable Date, such 30 per cent. represents 736,890,705 Shares.

- (4) Unless approved by Shareholders in the manner set out in this paragraph below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) under the 2013 Share Option Scheme in any 12-month period must not exceed 1 per cent. of the Shares in issue. Any further grant of Options which would result in the number of Shares issued as aforesaid exceeding the said 1 per cent. limit must be subject to prior Shareholders' approval with the relevant Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the options to be granted (and options previously granted) to such Participant, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time.

Each grant of Options to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) (as such terms are defined in Rule 1.01 of the Listing Rules) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:-

- (i) representing in aggregate over 0.1 per cent. (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of Options shall be subject to prior approval by the Shareholders. All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

The circular to be issued by the Company to Shareholders pursuant to the paragraph above shall contain the following information, or otherwise in accordance with the Listing Rules effective from time to time:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each Participant which must be fixed before the Shareholders' meeting and the Date of Grant (which shall be the date of the Board meeting at which the Board proposes to grant the proposed options to that eligible Participant);

- (ii) recommendation from the independent non-executive Directors of the Company (excluding any independent non-executive director who is the relevant Grantee) to the independent Shareholders of the Company as to voting;
- (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

No offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of 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
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

- (5) (i) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant Date of Grant (being the date on which the Board resolves to make an offer of Option to the relevant Participant, which date must be a business day).
- (ii) In the event a Grantee (being an employee or officer of any member of the Group) ceases to be a Participant for any reason other than (i) his or her death or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraph (12)(vi) below (and the date on which the Grantee so ceases to be a Participant shall be referred to as the "**Cessation Date**"), such Grantee may exercise the Option up to his/her entitlement as at the Cessation Date at any time during the original Option Period, unless the Board otherwise determines that the Option shall lapse on the Cessation Date and not be exercisable or be exercisable to such extent and within such period as the Board may determine. The Cessation Date for the purposes of this paragraph (5)(ii) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not.

- (iii) If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after date on which the Directors have so determined.
- (iv) In the event the Grantee dies before exercising the Option in full and none of the events for termination of employment under paragraph (12)(vi) below then exists with respect to such Grantee, the personal representative(s) of the Grantee shall be entitled within a period of six (6) months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death.
- (v) If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (5)(vi) below) is made to all the holders of Shares (or all such holders other than the offeror, any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof (the “**Offer Notice**”) to the Grantee and the Grantee may at any time within one (1) month after the date of the Offer Notice exercise the Option to its full extent.
- (vi) If a general offer for Shares by way of a scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof (the “**Scheme Notice**”) to the Grantee and the Grantee may at any time within one (1) month after the date of the Scheme Notice exercise the Option to its full extent.
- (vii) In the event a notice is given by the Company to its shareholders to convene a Shareholders’ meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but not later than two business days prior to the record day for ascertaining entitlements to attend and vote at such proposed shareholder’s meeting or such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

- (viii) In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph (5)(vi) above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a scheme or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
- (ix) Upon the occurrence of any of the events referred to in paragraphs (5)(vii) and (viii) above, the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.
- (6) At the time of grant of the Options, the Company may specify any minimum period(s) for which an Option must be held before it can be exercised. The 2013 Share Option Scheme does not contain any such minimum period.
- (7) At the time of the grant of the Options, the Company may specify any performance target(s) which must be achieved before the Options can be exercised. The 2013 Share Option Scheme does not contain any performance targets.
- (8) An offer of Option shall remain open for acceptance by the Participant to whom such offer is made for a period of twenty-one (21) days from the date on which the letter containing the offer of Option is issued to the Participant, provided that no such offer of Grant shall be open for acceptance after the tenth anniversary of Adoption Date or after this 2013 Share Option Scheme has been terminated in accordance with the provisions thereof or after the person/entity to whom the offer of Option is made has ceased to be a Participant. An offer of Option shall be deemed to have been accepted by the Grantee and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer of Option duly signed by the Grantee with the number of Shares in respect of which the offer of Option is accepted clearly stated therein, together with a payment in favour of the Company of HK\$1.00 (or its equivalent) by way of consideration for the grant thereof, is received by the Company.



- (9) The subscription price for the Shares shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer of Option and shall be no less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant.
- (10) The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. Prior to the Grantee being registered 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 (including those arising on a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.
- (11) The 2013 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption of the 2013 Share Option Scheme. No further Options shall be offered or granted under the 2013 Share Option Scheme on or after the date of the tenth anniversary of the adoption of the 2013 Share Option Scheme.
- (12) An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
- (i) the expiry of the Option period;
  - (ii) the date or the expiry of the period for exercising the Option as referred to in paragraphs (5)(ii), (iii), (iv) and (v) above (as the case may be);
  - (iii) subject to the scheme of arrangement (referred to in paragraph (5)(vi) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph (5)(vi) above;
  - (iv) subject to paragraph (5)(vii) above, the date of commencement of the winding up of the Company; and, subject to the compromise or arrangement (referred to in paragraph (5)(viii) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph (5)(viii) above,
  - (v) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any other person, over or in relation to any Option in breach of the 2013 Share Option Scheme;

- (vi) the date on which the Grantee (being an employee or officer of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (vii) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally;
- (viii) where the Grantee is an employee or officer of a member of the Group (other than the Company), the date on which such member ceases to be a subsidiary of the Company; and
- (ix) unless the Board otherwise determines, and other than in the circumstances referred to in paragraphs (5)(ii), (iii) or (iv) above, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason.

Transfer of employment or engagement or relationship from one member of the Group to another member of the Group shall not be considered as a cessation of employment, engagement or relationship.

- (13) In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to the subscription price, and/or the number of shares to be issued on exercise of the Option, and/or the method of exercise of the Option (or any combination of the foregoing), as the auditors of the Company or a financial adviser engaged by the Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, and that any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled, but so that no such adjustments be made to the extent that a Share would be issued at less than its nominal value.
- (14) Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the same Grantee provided that such Options fall within the limits specified in paragraph (3) above and are otherwise granted in accordance with the terms of the 2013 Share Option Scheme.

- (15) The Shares issued on exercise of the Options will on issue be identical to the then existing issued shares of the Company.
- (16) The Company by ordinary resolution of Shareholders, or the Board, may at any time terminate the operation of the 2013 Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the 2013 Share Option Scheme shall remain in full force and effect. Any granted but unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the 2013 Share Option Scheme.
- (17) The Options are not assignable or transferable, except for the transmission of an Option on the death of a Grantee to his personal representative(s) on terms of and as permitted by the 2013 Share Option Scheme.
- (18) Subject to the terms set out in the paragraph below, the Board may amend any of the provisions of the 2013 Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2013 Share Option Scheme, which are not found in the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).

Those specific provisions of the 2013 Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the Directors or administrator of the 2013 Share Option Scheme in relation to any alteration of the terms herein shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the 2013 Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2013 Share Option Scheme. The 2013 Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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**SOLOMON  
SYSTECH**

### **SOLOMON SYSTECH (INTERNATIONAL) LIMITED**

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

**(Stock Code: 2878)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Solomon Systech (International) Limited (the “**Company**”) will be held at 4:00 p.m. on Tuesday, 28 May 2013 at 29A, Admiralty Centre I, 18 Harcourt Road, Hong Kong for the following purposes:

#### **Ordinary Business**

1. To receive and consider the Audited Consolidated Financial Statements, the Reports of the Directors and the Independent Auditor for the year ended 31 December 2012 of the Company.
2. To re-elect the retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To consider the appointment of Independent Auditor and to authorise the Board of Directors to fix their remuneration.

#### **Special Business**

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

4. “**THAT:**
  - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined under paragraph (c) below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;
  - (b) the total nominal amount of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined under paragraph (d) below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined under paragraph (d) below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of this resolution and the said mandate shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”
7. “**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**2013 Share Option Scheme**”, the terms of which are contained in the document marked “A” is produced to this meeting and for the purposes of identification signed by the Chairman thereof), (i) the 2013 Share Option Scheme be and is hereby approved and adopted and with effect from the date on which the 2013 Share Option Scheme having become unconditional (the “**2013 Share Option Scheme Effective Date**”); (ii) the existing share option scheme of the Company which was adopted by the Company on 19 March 2004 be terminated as from the 2013 Share Option Scheme Effective Date; and (iii) the board of directors of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company (or any committee thereof) 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 2013 Share Option Scheme, including but without limitation:

- (a) to administer the 2013 Share Option Scheme;
- (b) to modify and/or amend the 2013 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2013 Share Option Scheme relating to modification and/or amendment;
- (c) to allot and issue from time to time such number of Shares as may fall to be issued pursuant to the exercise of the options granted under the 2013 Share Option Scheme, provided always that the total number of Shares subject to the 2013 Share Option Scheme, when aggregated with any Shares subject to any other share option scheme(s) of the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing this Resolution but the Company may seek approval of its shareholders in general meeting for refreshing the 10 per cent. limit under the 2013 Share Option Scheme (such limit as refreshed shall not exceed 10 per cent. of the Shares in issue as at the date of the aforesaid shareholders' approval) and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30 per cent. of the Shares in issue from time to time (the Company may seek separate approval by shareholders in general meeting for granting options beyond the 10 per cent. limit provided that the options in excess of the limit are granted only to participants specially identified by the Company before such approval is sought);
- (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 hereafter from time to time fall to be issued pursuant to the exercise of the options granted under the 2013 Share Option Scheme; 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 2013 Share Option Scheme.”

On behalf of the Board  
**Leung Kwong Wai**  
*Managing Director*

Hong Kong, 23 April 2013

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## NOTICE OF ANNUAL GENERAL MEETING

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*As at the date of this circular, the Board comprises (a) Executive Directors - Dr. LEUNG Kwong Wai (Managing Director) and Mr. LAI Woon Ching; (b) Non-Executive Directors - Dr. LAM Pak Lee (Mr. SHEU Wei Fu as his alternate), Mr. LI Xiaochun, Mr. LAI Weide and Mr. ZHAO Guiwu; and (c) Independent Non-Executive Directors - Mr. SUN, Patrick (Chairman), Mr. CHOY Kwok Hung, Patrick, Mr. WONG Yuet Leung, Frankie and Mr. YIU Tin Chong, Joseph.*

**Notes:**

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
- (b) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (c) For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Monday, 27 May 2013 to Tuesday, 28 May 2013, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 May 2013.
- (d) All resolutions at the meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (e) A form of proxy for use in connection with the Annual General Meeting is enclosed and such form is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.solomon-systech.com](http://www.solomon-systech.com)).



This circular, in both English and Chinese versions (the “Circular”), is available on the Company’s website at [www.solomon-systech.com](http://www.solomon-systech.com) (the “Company Website”).

Shareholders who have chosen or have been deemed consented to receive the corporate communications (as defined in the Listing Rules) of the Company via the Company Website and for any reason have difficulty in receiving or gaining access to the Circular posted on the Company Website may obtain a printed copy of the Circular free of charge by sending a request to the Company’s Hong Kong Share Registrar, Tricor Investor Services Limited at 26/F Tesbury Centre, 28 Queen’s Road East, Hong Kong or by sending an email to the Company’s Hong Kong Share Registrar at **[solomon2878-ecom@hk.tricorglobal.com](mailto:solomon2878-ecom@hk.tricorglobal.com)**.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) of corporate communications by any of the above methods.