
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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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,
REFRESHMENT OF SCHEME MANDATE LIMIT AND
SERVICE PROVIDER SUBLIMIT,
PROPOSED ADOPTION OF THE NEW BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

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

Nuada Limited

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 Friday, 6 December 2024 at 11:00 a.m. at which the above proposals will be considered is set out in Appendix VI 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 Wednesday, 4 December 2024) 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.

CONTENTS

| | <i>Page</i> |
|---|-------------|
| 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 Refreshment of Scheme Mandate Limit and Service Provider Sublimit .. | 11 |
| Proposed Adoption of the New Bye-laws | 20 |
| Notice of the AGM | 20 |
| Recommendation | 21 |
| Documents on Display | 21 |
| Responsibility statement | 22 |
| General information | 22 |
| APPENDIX I — EXPLANATORY STATEMENT | 23 |
| APPENDIX II — DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED | 26 |
| APPENDIX III — PROPOSED AMENDMENTS TO THE BYE-LAWS | 28 |
| APPENDIX IV — LETTER FROM THE INDEPENDENT BOARD COMMITTEE | 39 |
| APPENDIX V — LETTER FROM THE INDEPENDENT FINANCIAL ADVISER | 41 |
| APPENDIX VI — NOTICE OF AGM | 51 |
| Accompanying document: | |
| Form of Proxy | |

DEFINITIONS

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

| | |
|-----------------------------------|---|
| “AGM” or “Annual General Meeting” | the 2024 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 Friday, 6 December 2024 at 11:00 a.m., notice of which is set out in Appendix VI 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” or “Existing Bye-laws” | the existing bye-laws of the Company approved by the shareholders of the Company at the special general meeting held on 31 May 2022; |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC; |
| “Change in Board Lot Size” | the change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Shares to 10,000 Shares, as referred to in the announcements of the Company dated 4 March 2024 and 11 April 2024 and the circular of the Company dated 20 March 2024; |
| “close associate(s)” | has the meaning ascribed to it in the Listing Rules; |
| “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; |
| “Director(s)” | director(s) of the Company; |

DEFINITIONS

| | |
|---------------------------------|--|
| “Existing Scheme Mandate Limit” | the existing scheme mandate limit under the Share Option Scheme should not exceed 11,872,661, representing 10% of the Shares in issue at the effective date of the Share Consolidation on 15 April 2024; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “HKSCC” | Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited; |
| “Hong Kong” | Hong Kong Special Administrative Region of PRC; |
| “Independent Board Committee” | the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, established to advise the Independent Shareholders in respect of the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit; |
| “Independent Financial Adviser” | Nuada Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit; |
| “Independent Shareholders” | Shareholders other than any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) who are required to abstain from voting on the relevant resolutions at the AGM approving the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit under the Listing Rules; |

DEFINITIONS

| | |
|----------------------------------|--|
| “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 (excluding any Treasury Shares but as extended by adding to it the aggregate number of Shares bought back under the Share Buy-back Mandate); |
| “Latest Practicable Date” | 17 October 2024, 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 Bye-laws” | amended and restated Bye-laws, incorporating the Proposed Amendments, proposed to be adopted by the Company; |
| “Nomination Committee” | the nomination committee of the Company; |
| “Option(s)” or “Share Option(s)” | a right to subscribe for Shares pursuant to the Share Option Scheme; |
| “PRC” | the People’s Republic of China; |
| “Proposed Amendments” | the proposed amendments to the Existing Bye-laws, details of which are set out in Appendix III to this circular; |
| “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 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 effective date of the Share Consolidation on 15 April 2024; |

DEFINITIONS

| | |
|-----------------------------|--|
| “Service Provider(s)” | <p>as defined in the terms of the Share Option Scheme, means 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:</p> <ul style="list-style-type: none">(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; but, for the avoidance of doubt, excluding<ul style="list-style-type: none">(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” | <p>a sublimit under the Scheme Mandate Limit for the maximum number of Options to be granted to the Service Providers under all share schemes of the Company;</p> |
| “SFO” | <p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);</p> |
| “Share Buy-back Mandate” | <p>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 (excluding any Treasury Shares) as at the date of passing of the resolution granting such mandate;</p> |
| “Share Consolidation” | <p>as described and defined in the notice of the special general meeting dated 20 March 2024 and its effective date was 15 April 2024;</p> |

DEFINITIONS

| | |
|-----------------------|---|
| “Share Option Scheme” | the new share option scheme adopted by the Company on 5 December 2022; |
| “Share(s)” | ordinary share(s) of HK\$0.20 each in the capital of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | the Code on Takeovers and Mergers issued by the Securities and Futures Commission as amended from time to time; and |
| “Treasury Share(s)” | has the meaning ascribed to it in the Listing Rules; |
| “%” | 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

Independent non-executive directors:

CHUNG Kam Kwong
LO Wai Ming
LO Chao Ming

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business:*

Unit 16, 12/F
Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

24 October 2024

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,
REFRESHMENT OF SCHEME MANDATE LIMIT AND
SERVICE PROVIDER SUBLIMIT,
PROPOSED ADOPTION OF THE NEW BYE-LAWS
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 Friday, 6 December 2024, for the approval of (i) 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; (iv) proposed refreshment of the

* for identification purposes only

LETTER FROM THE BOARD

Scheme Mandate Limit and the Service Provider Sublimit; and (v) adoption of the New Bye-laws.

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.

A special general meeting of the Company was held on 11 April 2024 (the “SGM”) and the ordinary resolution for approval of the Share Consolidation (as described and defined in the notice of the SGM dated 20 March 2024) was duly passed by the shareholders of the Company by way of poll.

The details of the Share Consolidation and Change in Board Lot Size were set out in the announcements of the Company dated 4 March 2024 and 11 April 2024 and the circular of the Company dated 20 March 2024.

As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation and the Change in Board Lot Size became effective on 15 April 2024.

Before 15 April 2024, the authorised share capital of the Company was HK\$500,000,000 divided into 50,000,000,000 Shares of par value of HK\$0.01 each and there were 2,374,532,340 ordinary shares in issue which were fully paid or credited as fully paid.

Upon the Share Consolidation being effective on 15 April 2024, (i) the authorised share capital of the Company remained at HK\$500,000,000 divided into 2,500,000,000 consolidated shares of par value of HK\$0.20 each; and (2) there were 118,726,617 consolidated shares in issue which were fully paid or credited as fully paid.

As at the Latest Practicable Date, the Company had an aggregate of 118,726,617 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 23,745,323 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.

LETTER FROM THE BOARD

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.

The Board notes that with effect from 11 June 2024, the Listing Rules have been amended to remove the requirement to cancel repurchased shares and to adopt a framework to govern the resale of Treasury Shares. In view of the changes to the Listing Rules, subject to the Proposed Amendments being approved by the Shareholders at the AGM (see section headed “Proposed Adoption of the New Bye-Laws” and Appendix III to this circular), if the Company purchases any Shares pursuant to the Share Buy-back Mandate, the Company will either (i) cancel the repurchased Shares and/or (ii) hold such Shares in treasury, subject to market conditions and the Company’s capital management needs at the relevant time any repurchases of Shares are made. If the Company holds any Shares in treasury, any sale or transfer of Shares in treasury will be made pursuant to the terms of the Issue Mandate under resolution numbered 6A as set out in the notice to AGM and in accordance with the Listing Rules and applicable laws and regulations of Bermuda.

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.

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.

LETTER FROM THE BOARD

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. 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) have reviewed his independence criteria as Mr. Lo has served more than nine years 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 C1 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.

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 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 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 C1 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 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 21 years, 24 years and 17 years, respectively.

LETTER FROM THE BOARD

Under Code provision B.2.4(b), where all independent non-executive directors of an issuer have service more than nine years on the board of directors, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting starting from the financial year commencing on or after 1 January 2023. As at the Latest Practicable Date, the Company has not appointed a new independent non-executive Director and therefore has deviated from Code provision B.2.4(b). The Company and the Nomination Committee have given due regard to the importance of compliance with the aforesaid provision and have undertaken the recruitment process over the past year and engaged with several candidates through internal and external network (for example, personal contacts of current Board members, or by referral of the Company's business partners). However, the macroeconomic conditions result in volatility in global economy and uncertainties in the securities market, which posed difficulties for the Company in securing an appointment of a suitable candidate. The Company and the Nomination Committee are still in the process of identifying a new independent non-executive director taking into account the candidate's experience and the factors prescribed under Rule 3.13 of the Listing Rules. Further announcement(s) will be made in this regard as and when appropriate. The Company currently expects to appoint a new independent non-executive director and re-comply with Code provision B.2.4(b) in the first half of 2025.

Despite the Company's deviation from Code provision B.2.4(b), the Company is of the view that the current independent non-executive Directors, which comprises half of the Board members exceeding the one-third requirement under Rule 3.10A of the Listing Rules, may facilitate the maintenance of balanced and effective corporate governance. Retaining the existing board composition is conducive to the continuity and stability to the Board and the Company. The existing independent non-executive Directors are from diverse background, including accounting, corporate finance and cable and wire business. They possess the necessary skills, industry knowledge and experience which allow them to provide objective, extensive and valuable insight and expertise to the Board. In particular, the Board considered that they have satisfied the criteria of independence under Rule 3.13 of the Listing Rules and have confirmed to the Company in such regard, including without limitation:

- Each of them does not hold more than 1% of the number of issued shares of the Company;
- The fact that they were granted Share Options pursuant to the Share Option Scheme established in accordance with Chapter 17 of the Listing Rules does not affect their independence under Rule 3.13(2) of the Listing Rules;
- Each of them is not a director, partner or principal of a professional adviser which currently provides or has within two immediately preceding years provided services to the Company, and is not an employee of such professional adviser; and
- Each of them is not connected with a Director, the chief executive or a substantial shareholder of the Company.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

Reference is made to the announcement of the Company dated 9 October 2024.

Pursuant to an ordinary resolution passed at the 2022 annual general meeting of the Company held on 5 December 2022, the Company adopted the Share Option Scheme. The details of the Share Option Scheme were set out in a circular to the Shareholders of the Company dated 10 November 2022. Apart from the Share Option Scheme, the Company has no other share scheme currently in force.

After the Share Consolidation became effective on 15 April 2024, the maximum number of Shares subject to the Existing Scheme Mandate Limit under the Share Option Scheme became 11,872,661, representing 10% of the Shares in issue as at 15 April 2024. From 15 April 2024 to the Latest Practicable Date (the “**Period**”), (i) share options to subscribe for an aggregate of 11,870,000 Shares have been granted under the Share Option Scheme, representing approximately 99.98% of the Existing Scheme Mandate Limit and (ii) no share options granted in the Period lapsed, was exercised or cancelled.

LETTER FROM THE BOARD

The following table shows details of the movements for the share options granted within the Period:

| Name or category of participants | Date of grant | Exercisable period | Exercise price HK\$ | Outstanding at 15 April 2024 | Number of Share Options | | | | Outstanding at the Latest Practicable Date |
|---|---------------|----------------------------|---------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|--|
| | | | | | Granted on the date of grant | Exercised during the Period | Cancelled during the Period | Lapsed during the Period | |
| <i>Share Options Granted on 27 May 2024</i> | | | | | | | | | |
| Executive Directors | | | <i>Note (1)</i> | | | | | | |
| Chau Lai Him | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 1,180,000 | - | - | - | 1,180,000 |
| Chau Chi Ho | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 1,180,000 | - | - | - | 1,180,000 |
| Liu Dong Yang | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 1,180,000 | - | - | - | 1,180,000 |
| Independent non-executive Directors | | | | | | | | | |
| Chung Kam Kwong | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 110,000 | - | - | - | 110,000 |
| Lo Wai Ming | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 110,000 | - | - | - | 110,000 |
| Lo Chao Ming | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 110,000 | - | - | - | 110,000 |
| Employees | 27 May 2024 | 27 May 2025 to 26 May 2027 | 0.44 | - | 8,000,000 | - | - | - | 8,000,000 |
| | | | | | | | | | |
| | | | | - | 11,870,000 | - | - | - | 11,870,000 |

LETTER FROM THE BOARD

Note (1): The exercise price represents the highest of the following: (i) The closing price per Share as stated in the Stock Exchange's daily quotation sheet on 27 May 2024 was HK\$0.44; (ii) the average closing price per Share as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding 27 May 2024 was HK\$0.428; and (iii) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on 24 May 2024 (the trading day immediately preceding the date of grant, i.e. 27 May 2024) was HK\$0.44. The vesting period lasts for twelve months, i.e. from 27 May 2024 to 26 May 2025 (both days inclusive).

Reasons for Proposed Refreshment of Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there were a total of 11,870,000 outstanding share options entitling the holders thereof to subscribe for 11,870,000 Shares, representing approximately 9.998% of the number of Shares in issue of the Company as at the Latest Practicable Date. Unless the Existing Scheme Mandate Limit is refreshed, only 2,661 remaining Share Options, representing approximately 0.002% of the number of Shares in issue of the Company as at the Latest Practical Date, is available for future grants under the Existing Scheme Mandate Limit of the Share Option Scheme, and 2,661 remaining Share Options are available for future grants under the Service Provider Sublimit under the Share Option Scheme. As at the Latest Practicable Date, the Company did not hold any Treasury Shares.

Since the existing Scheme Mandate Limit has been almost fully utilised after granting 11,870,000 Share Options to the Directors and employees of the Group on 27 May 2024, and in order to provide the Company with greater flexibility in granting Options to eligible participants under the Share Option Scheme as incentives or rewards for their contributions to the Group and/or to enable the Group to recruit and retain high-calibre personnel who are valuable to the Group, ordinary resolutions as set out in the notice of AGM will be proposed to seek Independent Shareholders' approval at the AGM to refresh the Existing Scheme Mandate Limit and Service Provider Sublimit.

Further, if the Company was to refresh its existing Scheme Mandate Limit and Service Provider Sublimit after three years of the adoption of the Share Option Scheme in accordance with Rule 17.03C(1) of the Listing Rules, which shall be on or after 5 December 2025, given the existing Scheme Mandate Limit and Service Provider Sublimit have been almost fully utilised, the Company would have been heavily restrained from granting Share Options under the Share Option Scheme in the coming year to encourage and retain employees and Service Providers to make contributions to the long-term growth of the Group. The Company did not intend to grant any Share Options under the Share Option Scheme as at the Latest Practicable Date and upon refreshment of the Scheme Mandate Limit and Service Provider Sublimit, if so approved at the AGM. However, having considered (i) the aforesaid benefits, (ii) the safeguards offered to the Independent Shareholders by appointing the Independent Financial Adviser and the Independent Board Committee to set out their recommendations and (iii) the potential administrative work, costs and additional time required in granting Share Options should a separate general meeting be convened to approve the proposed refreshment, the Company is of the view that the benefits of the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit within the three-year period outweigh its potential dilution impact (see the letter from the Independent Financial Adviser set out in Appendix V on pages 47-49 of this circular for details) and it is an

LETTER FROM THE BOARD

appropriate timing to seek the Independent Shareholders' approval of the proposed refreshment at the AGM.

Pursuant to Rule 17.03C of the Listing Rules and the terms of the Share Option Scheme, the Scheme Mandate Limit and the Service Provider Sublimit may be "refreshed" by the approval of the Shareholders in general meeting and the "refreshed" Scheme Mandate Limit must not exceed 10% of the issued share capital of the Company (excluding Treasury Shares) as at the date of approval of the "refreshed" Scheme Mandate Limit. Share options previously granted under the Share Option Scheme (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other share schemes of the Group) shall not be counted for the purposes of calculating the "refreshed" Scheme Mandate Limit and the Service Provider Sublimit. The Directors therefore propose that the Scheme Mandate Limit and the Service Provider Sublimit be refreshed, subject to (i) the passing of separate ordinary resolutions by the Independent Shareholders at the AGM to approve the respective refreshment of the Scheme Mandate Limit and the Service Provider Sublimit; and (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued upon exercise of any options that may be granted pursuant to the Share Option Scheme under the refreshed Scheme Mandate Limit and the Service Provider Sublimit.

Assuming that the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit is approved at the AGM, and that no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date until the date of the AGM, the aggregate number of Shares that may be issued under the options to be granted pursuant to the Share Option Scheme under the Scheme Mandate Limit (as refreshed) will be 11,872,661 Shares, representing approximately 10% of the 118,726,617 Shares in issue as at the Latest Practicable Date; and 3,561,798 Shares will be available for grants of Options to Service Providers under the Service Provider Sublimit under the Share Option Scheme, representing approximately 3% of the 118,726,617 Shares in issue as at the Latest Practicable Date.

Upon approval of the refreshment of the Service Provider Sublimit by the Independent Shareholders, the refreshed Service Provider Sublimit will be identically kept at 3% of the total number of Shares in issue as at the date of the Shareholders' approval of such refreshment, which aligns with the terms of the Share Option Scheme and the Service Provider Sublimit approved by the then Shareholders on 5 December 2022. The Service Provider Sublimit has been determined by the Board taking into account, amongst others, (i) the number of potentially eligible Service Providers under the 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 Share Options to be granted to the latter (see below for further explanation of limbs (i) and (ii)), (iii) the need to reserve a majority portion of the Scheme Mandate Limit for eligible employee participants of the Group and (iv) the number of share options granted to the Service Providers under previous share option schemes of the Company, which amounted to approximately 30% of the total number of share options granted thereunder as at the Latest Practicable Date. As the Company has not granted any Share Options to the Service Providers under the current Share

LETTER FROM THE BOARD

Option Scheme as at the Latest Practicable Date, and the categories and eligibility criteria of Service Providers of the Group under the previous share option schemes and the current Share Option Scheme remain similar, the Company is of the view that the previous grant to the Service Providers is an appropriate reference and constitutes a reasonable comparable basis being one of the factors to be considered when determining the proposed refreshment of the Service Provider Sublimit.

The three categories of the Service Providers are set out in the “Definition” section on page 4 of this circular. 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.

LETTER FROM THE BOARD

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 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 incentivise 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).

LETTER FROM THE BOARD

(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. 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 utilise 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 relevant 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 accordance with the terms of the Share Option Scheme and as disclosed in page 11 of the Company's circular dated 10 November 2022, in order to be eligible for participating in the 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) for suppliers of goods, the scale of the relevant Service Provider's business dealings with the Group in terms of purchase attributable to such Service Provider 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) for (i) advisors, consultants, business or joint venture partners, contractors, agents or representatives of any member of the Group, and (ii) a person or entity that engages in design and/or research and development work for any member of the Group, the contribution to the Group's revenue or profit in the relevant business segment in the last financial year attributable to relevant Service Provider 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.

LETTER FROM THE BOARD

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 eligible employee participants of the Share Option Scheme, 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.

The Board considers that granting Share 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 Share Option Scheme.

Considering the aforesaid, the Board is of the view that the scope of Service Providers as set out in the 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.

Having assessed the aforesaid eligibility factors in accordance with the terms of the Share Option Scheme, as at the Latest Practicable Date, there were less than five Service Providers being eligible under the Share Option Scheme.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued upon exercise of any options that may be granted pursuant to the Share Option Scheme under the refreshed Scheme Mandate Limit. For avoidance of doubt, pursuant to the terms of the Share Option Scheme, new Shares will be allotted and issued upon exercise of any options granted under the Share Option Scheme. The Company does not intend to use Treasury Shares for the Share Option Scheme after the New Bye-laws becomes effective (if the Proposed Amendments are approved by the Shareholders at the AGM).

Listing Rules Implications

As the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit is proposed within three years of the date of adoption of the Share Option Scheme,

- in accordance with Rule 17.03C(1)(b)(i) of the Listing Rules, the proposed refreshment must be approved by the Independent Shareholders. Given the Company does not have a controlling shareholder as at the Latest Practicable Date to the best knowledge, belief and information of the Directors having made all reasonable enquiries, the Directors (excluding the independent non-executive Directors) and the

LETTER FROM THE BOARD

chief executive of the Company and their respective associates must abstain from voting in favour of the relevant resolutions at the AGM. Accordingly, Mr. Chau Chi Ho, an executive Director holding 1,980,000 Shares (representing approximately 1.67% of the Shares in issue as at the Latest Practicable Date), will abstain from voting in favour of the resolutions in respect of the proposed refreshment of Scheme Mandate Limit and the Service Provider Sublimit. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, (i) Mr. Chau Lai Him and Mr. Liu Dong Yang, being executive Directors of the Company, did not hold any Shares and the Share Options granted to each of them could not be exercised before the vesting period ends on 26 May 2025 (see page 12 of this circular for details); (ii) the chief executive of the Company and the associates of all executive Directors and chief executive of the Company did not hold any Shares; and (iii) save as disclosed above, no other Shareholder is required to abstain from voting on the proposed resolution on the proposed refreshment of Scheme Mandate Limit and the Service Provider Sublimit at the AGM.

- pursuant to Rule 17.03C(1)(b)(ii) of the Listing Rules, the Company shall also establish an independent board committee and appoint an independent financial adviser to advise the Independent Shareholders on the fairness and reasonableness in respect of the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. The Independent Board Committee comprising all Independent non-executive Directors, namely Mr. Chung Kam Kwong, Mr. Lo Wai Ming and Mr. Lo Chao Ming, has been formed to advise and provide recommendation to the Independent Shareholders on the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. The view of the Independent Board Committee has been set out in Appendix IV to this circular.
- Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. A letter from the Independent Financial Adviser containing its advice is set out in Appendix V to this circular.

The Directors (including the independent non-executive Directors having considered the advice from the Independent Financial Adviser) consider that the terms of the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit within three years of the adoption of the Share Option Scheme are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend that the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW BYE-LAWS

Reference is made to the announcement of the Company dated 9 October 2024.

The Board proposes to amend the Existing Bye-laws to (i) provide the Company with flexibility to hold Treasury Shares in view of the recent amendments to the Listing Rules relating to Treasury Shares which took effect on 11 June 2024; (ii) update and bring the Existing Bye-laws in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments as set out in the Listing Rules which took effect from 31 December 2023; (iii) update the provisions relating to the removal of the Company's auditors to align with the applicable laws of Bermuda; and (iv) incorporate other consequential and housekeeping amendments to the Existing Bye-laws in connection with the Proposed Amendments.

The Board also proposes to adopt the New Bye-laws incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing Bye-laws.

Accordingly, the Board proposes at the AGM a special resolution approving the Proposed Amendments by way of adoption of the New Bye-laws in substitution for, and to the exclusion of the Existing Bye-laws.

The Proposed Amendments to the Existing Bye-laws are set out in Appendix III of this circular. Shareholders are advised that the Chinese translation of the Proposed Amendments to the Existing Bye-laws provided in Appendix III of this circular in Chinese is for reference only. In case of any inconsistency, the English version shall prevail.

The Company has been advised by its legal advisers that the Proposed Amendments conform to the requirements of the Listing Rules and do not contravene the applicable laws of Bermuda, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The adoption of the New Bye-laws are subject to the approval of the Shareholders by way of passing a special resolution at the AGM which will be held on Friday, 6 December 2024. The New Bye-laws will become effective upon approval of the Shareholders at the AGM.

NOTICE OF THE AGM

Notice of the AGM is set out in Appendix VI 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

LETTER FROM THE BOARD

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 Wednesday, 4 December 2024) or any adjournment thereof.

Shareholders whose names appear on the register of members of the Company on Friday, 6 December 2024 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Chau Chi Ho, an executive Director holding 1,980,000 Shares (representing approximately 1.67% of the Shares in issue as at the Latest Practicable Date) who needs to abstain from voting in favour of the resolutions in respect of the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit in accordance with Rule 17.03C(1)(b)(i) of the Listing Rules (see the section headed "Proposed Refreshment of Scheme Mandate Limit and Service Provider Sublimit - Listing Rules Implications" for further details), no other 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, and the re-election of the retiring Directors, continuing appointment of independent non-executive Director who has served more than nine years, the proposed refreshment of Scheme Mandate Limit and the Service Provider Sublimit and adoption of the New Bye-laws 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.

DOCUMENTS ON DISPLAY

Electronic copies of the following documents will be published on the websites of the Company (www.1166hk.com) and the Stock Exchange (<http://www.hkexnews.hk>) for not less than 14 days from the date of this circular up to and including the date of the AGM:

- (i) the letter from the Independent Board Committee, the text of which is set out in Appendix IV to this circular;

LETTER FROM THE BOARD

- (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in Appendix V to this circular; and
- (iii) this circular.

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 including the letter from the Independent Board Committee in Appendix IV and the letter from the Independent Financial Adviser in Appendix V.

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 118,726,617 Shares in issue and the Company did not hold any Treasury Shares.

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 11,872,661 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.

As stated in the section headed “General Mandates to Issue Shares and Buy Back Shares” in the Letter from the Board, if the Company purchases any Shares pursuant to the Share Buy-back Mandate, the Company will either (i) cancel the Shares repurchased and/or (ii) hold such Shares in treasury, subject to market conditions and the Company’s capital management needs at the relevant time any repurchases of Shares are made. To the extent that any Treasury Shares are deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those shares were registered in the Company’s own name as Treasury Shares. These measures may include approval by the Board that (i) the Company would not (or would procure its broker not to) give any instructions to HKSCC to vote at general meetings for the Treasury Shares deposited with CCASS and (ii) in the case of dividends or distributions, the Company will withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

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 may be held as Treasury Shares or cancelled. If such repurchased shares are cancelled, 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 2024, 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\$ |
| 2023 | | |
| October | 0.034 | 0.028 |
| November | 0.034 | 0.027 |
| December | 0.033 | 0.027 |
| 2024 | | |
| January | 0.034 | 0.022 |
| February | 0.045 | 0.024 |
| March | 0.028 | 0.017 |
| April (<i>Note</i>) | 0.420 | 0.285 |
| May | 1.000 | 0.270 |
| June | 0.450 | 0.350 |
| July | 0.400 | 0.340 |
| August | 0.400 | 0.355 |
| September | 0.360 | 0.260 |
| 1 October to the Latest Practicable Date | 0.450 | 0.320 |

Note: The Share Consolidation became effective on 15 April 2024.

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.

To the best knowledge of the Directors, neither the explanatory statement nor the Share Buy-back Mandate has any unusual features.

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 73, 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 was interested in 1,180,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of share options granted to him under the Share Option Scheme. Mr. Chau does not have a service contract with the Company and is entitled to the remuneration of approximately HK\$6,720,000 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. 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 50, joined the Group in September 1995 and has been appointed as an executive Director since January 2010. Mr. Liu is responsible for business development and financial management for the Group in the Greater Bay Area in PRC. 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 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 was interested in 1,180,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of share options granted to him under the Share Option Scheme. Mr. Liu does not have a service contract with the Company and is entitled to a fixed director’s fee of HK\$336,000 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 (v) (inclusive) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lo Chao Ming (“**Mr. Lo**”), aged 59, 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 15,000 ordinary shares of the Company within the meaning of Part XV of the SFO and 110,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of share options granted to him under the Share Option Scheme. Mr. Lo does not have a service contract with the Company and he is entitled a fixed director’s fee of approximately HK\$108,000 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.

The following is a summary of Proposed Amendments to the Bye-laws proposed to be incorporated in the New Bye-laws which is proposed to be approved at the AGM:

| Before Amendment | After Amendment (Revision) |
|---|--|
| <p>1. In these Bye-laws, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.</p> <p>...</p> <p>“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</p> <p>“year” a calendar year.</p> | <p>1. In these Bye-laws, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.</p> <p>...</p> <p>“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</p> <p><u>“treasury shares”</u> <u>shares repurchased and held by the Company in treasury, as authorised by the Act and these Bye-laws, including those referred to as treasury shares in the Act.</u></p> <p>“year” a calendar year.</p> |

| Before Amendment | After Amendment (Revision) |
|--|--|
| <p>2. (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;</p> <p>(n) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;</p> | <p>2. (m) <u>to the extent any provision in these Bye-laws contradicts or is inconsistent with any provision of Part II or Part III of the Electronic Transactions Act 1999 (as amended from time to time) (“ETA”) or Section 2AA of the Act, the provisions in these Bye-laws shall prevail and shall be deemed as an agreement between the Company and the Members to vary the provisions of the ETA and/or to override the requirement of Section 2AA of the Act, as applicable;</u></p> <p>(mn) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;</p> |

| Before Amendment | After Amendment (Revision) |
|--|---|
| <p>(o) references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;</p> <p>(p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and</p> <p>(q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.</p> | <p>(o) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly; <u>and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Bye-law 64E;</u></p> <p>(o) references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;</p> |

| Before Amendment | After Amendment (Revision) |
|---|---|
| <p>3. (2) Subject to the Act, the Company’s memorandum of association and, where applicable, the Listing Rules and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit.</p> | <p>(pq) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and</p> <p>(qr) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.</p> <p>3. (2) Subject to the Act, the Company’s memorandum of association and, where applicable, the Listing Rules and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit<u>Subject to the Act and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares (including its redeemable shares) for cancellation or to be held as treasury shares, which may at any time be cancelled, held by the Company, disposed of, or transferred for cash or other consideration, and all such power shall be exercisable by the Board on such terms and conditions as the Board may determine.</u></p> |

| Before Amendment | After Amendment (Revision) |
|--|---|
| <p>151. The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.</p> | <p>151. The requirement to send to a person referred to in Bye-law 149 the documents referred to in that provision or a summary financial report in accordance with Bye-law 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Bye-law 149 and, if applicable, a summary financial report complying with Bye-law 150, <u>in any manner permitted by these Bye-laws, including</u> on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication); and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.</p> |
| <p>152. (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</p> | <p>152. (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by extraordinary<u>special</u> resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</p> |

| Before Amendment | After Amendment (Revision) |
|---|--|
| <p>158. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:</p> <ul style="list-style-type: none">(a) by serving it personally on the relevant person;(b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;(c) by delivering or leaving it at such address as aforesaid; | <p>158. (1) Any Notice or document (including any “<u>corporate communication</u>” and “<u>actionable</u> corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Bye-laws from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and, <u>subject to compliance with the Listing Rules</u>, any such Notice and document may be given or issued by the following means:</p> <ul style="list-style-type: none">(a) by serving it personally on the relevant person;(b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;(c) by delivering or leaving it at such address as aforesaid; |

| Before Amendment | After Amendment (Revision) |
|--|---|
| <p>(d) by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;</p> <p>(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statues and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;</p> <p>(f) by publishing it on the Company’s website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); and</p> | <p>(d) by placing an advertisement in appointed newspapers or other publication and where applicable, (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;</p> <p>(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 158(5), subject to the Company complying with the Statues and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person<u>(3) without the need for any additional consent or notification;</u></p> <p>(f) by publishing it on the Company’s website or the website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”)<u>of the Designated Stock Exchange without the need for any additional consent or notification;</u> and</p> |

| Before Amendment | After Amendment (Revision) |
|--|---|
| <p>(g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.</p> <p>(2) The notice of availability may be given by any of the means set out above other than by posting it on a website.</p> <p>(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> <p>(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</p> | <p>(g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.</p> <p>(2) The notice of availability may be given by any of the means set out above other than by posting it on a website.</p> <p>(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> <p>(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</p> |

| Before Amendment | After Amendment (Revision) |
|---|--|
| <p>(5) Every Member or a person who is entitled to receive notice form the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic aress to which notices can be served upon him.</p> <p>(6) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language.</p> | <p>(53) Every Member or a person who is entitled to receive notice form<u>from</u> the Company under the provisions of the Statutes or these Bye-laws may register with the Company an electronic adress<u>address</u> to which Notices<u>notices</u> can be served upon him.</p> <p>(64) Subject to any applicable laws, rules and regulations and the terms of these Bye-laws, any notice, document or publication, including but not limited to the documents referred to in Bye-laws 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language <u>or, with the consent of or election by any Member, in the Chinese language only to such Member.</u></p> |

| Before Amendment | After Amendment (Revision) |
|---|--|
| <p>159. Any Notice of other document:</p> <p>...</p> <p>(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;</p> <p>(c) if published on the Company’s website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company’s website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;</p> | <p>159. Any Notice of other document:</p> <p>...</p> <p>(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;</p> <p>(c) if <u>placed or published on either the Company’s website or the website of the Designated Stock Exchange</u>, shall be deemed to have been <u>given or</u> served on the day on which the notice, document or publication first so appears on the Company’s website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later<u>relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;</u></p> |

| Before Amendment | After Amendment (Revision) |
|--|--|
| <p>160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.</p> <p>(2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.</p> | <p>160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of <u>in any manner permitted by</u> these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.</p> <p>(2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it <u>via electronic means or</u> through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the <u>electronic or postal</u> address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an electronic or postal address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.</p> |

APPENDIX IV LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in connection with the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit for inclusion in this circular.



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

星凱控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

24 October 2024

To the Independent Shareholders

Dear Sir or Madam

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

We refer to the circular dated 24 October 2024 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part of. Unless the context otherwise requires, terms used in this letter shall have the same meanings given to them in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders on how to vote on the resolutions proposed in relation to, taking into account the recommendations of the Independent Financial Adviser.

Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the proposed refreshment of Scheme Mandate Limit and the Service Provider Sublimit, and to advise the Independent Shareholders on how to vote. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out in Appendix V to the Circular.

We, having taken into account the advice of Independent Financial Adviser, consider that to the proposed refreshment of Scheme Mandate Limit and the Service Provider Sublimit is fair and reasonable so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

APPENDIX IV LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM. Your attention is also drawn to the letter from the Board set out on pages 6 to 22 of the Circular and the additional information set out in the Appendices to the Circular.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. CHUNG Kam Kwong
*Independent non-executive
Director*

Mr. LO Wai Ming
*Independent non-executive
Director*

Mr. LO Chao Ming
*Independent non-executive
Director*

The following is the text of a letter of advice from Nuada Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, for the purpose of incorporation into this circular.

Nuada Limited

Unit 1606, 16/F
OfficePlus@Sheung Wan
93–103 Wing Lok Street
Sheung Wan, Hong Kong
香港上環永樂街93–103號
協成行上環中心16樓1606室

24 October 2024

*To the Independent Board Committee
and the Independent Shareholders of
Solartech International Holdings Limited*

Dear Sirs,

REFRESHMENT OF SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company to the Shareholders dated 24 October 2024 (the “**Circular**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

Assuming that the refreshment of Scheme Mandate Limit and Service Provider Sublimit is approved at the AGM, and that no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date until the date of the AGM, the aggregate number of Shares that may be issued under the options to be granted pursuant to the Share Option Scheme under the Scheme Mandate Limit (as refreshed) will be 11,872,661 Shares, representing approximately 10% of the 118,726,617 Shares in issue as at the Latest Practicable Date; and 3,561,798 Shares will be available for grants of Options to Service Providers under the Service Provider Sublimit under the Share Option Scheme, representing approximately 3% of the 118,726,617 Shares in issue as at the Latest Practicable Date.

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors formed to advise the Independent Shareholders on the reasonableness and fairness in respect of the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit. We have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit.

INDEPENDENCE

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit, there were no other engagements between the Group and Nuada Limited. Apart from normal professional fees for our services to the Company in connection this appointment as the Independent Financial Adviser, no other arrangement exists whereby we will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are independent from, and are not associated with the Company or their respective substantial shareholder(s) or connected person(s) as defined under the Listing Rules, and accordingly are considered eligible to give independent advice on the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate in all material respects at the time when they were provided and continue to be so as at the Latest Practicable Date and the Independent Shareholders will be notified of any material changes to such statements, information, opinions and/or representations as soon as possible.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed that, having made all reasonable enquiries, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no material facts and representations the omission of which would make any statement in the Circular or the Circular misleading.

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our review and analysis were based upon, among other things, (i) the Share Option Scheme; (ii) the interim report (the “**Interim Report 2023**”) of the Company for the six-month period ended 31 December 2023 (“**FP2023**”); (iii) the annual results announcement (the “**Annual Results 2024**”) of the Company for the year ended 30 June 2024 (“**FY2024**”) dated 27 September 2024; and (iv) this circular.

We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company and the Directors and the information published by the Company, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion, we have considered the following principal factors and reasons:

(a) Information on the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit

With reference to the Board Letter, the Share Option Scheme was adopted by the Shareholders on 5 December 2022. Apart from the Share Option Scheme, the Company has no other share scheme currently in force. After the Share Consolidation became effective on 15 April 2024, the maximum number of Shares subject to the Existing Scheme Mandate Limit under the Share Option Scheme became 11,872,661, representing 10% of the Shares in issue as at 15 April 2024. From 15 April 2024 to the Latest Practicable Date (the “**Period**”), (i) Share Options to subscribe for an aggregate of 11,870,000 Shares have been granted under the Share Option Scheme, representing approximately 99.98% of the Existing Scheme Mandate Limit and (ii) no Share Options granted in the Period lapsed, was exercised or cancelled.

As at the Latest Practicable Date, there were a total of 11,870,000 outstanding Share Options entitling the holders thereof to subscribe for 11,870,000 Shares, representing approximately 9.998% of the number of Shares in issue of the Company as at the Latest Practicable Date. Unless the Existing Scheme Mandate Limit is refreshed, only 2,661 remaining Share Options, representing approximately 0.002% of the number of Shares in issue of the Company as at the Latest Practical Date, is available for future grants under the Existing Scheme Mandate Limit of the Share Option Scheme, and 2,661 remaining Share Options are available for future grants under the Service Provider Sublimit under the Share Option Scheme. As at the Latest Practicable Date, the Company did not hold any Treasury Shares.

Assuming that the refreshment of the Scheme Mandate Limit and Service Provider Sublimit is approved at the AGM, and that no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date until the date of the AGM, the aggregate number of Shares that may be issued under the options to be granted pursuant to the Share Option Scheme under the Scheme Mandate Limit (as refreshed) will be 11,872,661 Shares, representing approximately 10% of the 118,726,617 Shares in issue as at the Latest Practicable Date; and 3,561,798 Shares will be available for grants of Options to Service Providers under the Service Provider Sublimit under the Share Option Scheme, representing approximately 3% of the 118,726,617 Shares in issue as at the Latest Practicable Date.

(b) Reasons for the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit

According to the Management, in view of the Scheme Mandate Limit is 99.98% utilised as mentioned above, the Company considers that the Scheme Mandate Limit and Service Provider Sublimit should be refreshed so that the Company can continue to provide incentives or rewards for future contributions to eligible participants and/or to enable the Group to recruit and retain high quality personnel and attract human resources that are valuable to the Group.

We understand that it is necessary for the Company to attract and retain talents for the business development of the Company. We are of the view and concur with the Management's view that granting of Options is one of the ways for retaining talent in a competitive job market by providing employees or Service Provider with a stake in the Company's success and incentivise them to work harder and stay with the Company for longer. Also, granting of Options is a cost-effective way for the Company to compensate employees as compared to salary increases and bonuses as the grantee are required to purchase the stock and the cost to the Company is limited to the administrative expenses associated with the grant. Based on the above, we are of the view and concur with the Management's view that the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit are fair and reasonable.

According to the Annual Results 2024, the Group has recorded continuous losses for the year of the Group for the years ended 30 June 2023 (“**FY2023**”) (i.e. approximately HK\$176.76 million) and FY2024 (i.e. approximately HK\$89.25 million). According to the Interim Report 2023, the Group also recorded continuous losses for the six-month period ended 31 December 2022 (“**FP2022**”) (i.e. approximately HK\$11.02 million) and FP2023 (i.e. approximately HK\$59.18 million). Accordingly, we are of the view and concur with the Management's view that comparing to cash or cash equivalents rewards for eligible participants for their contributions to the Group, the granting of Options is a prudent approach for the Group which (i) represents an appropriate means to attract and retain talents and expertise without cash outflow; and (ii) enables the Group to maintain its liquid capital to carry on its current business and sufficient buffer cash for future or sudden use. Based on above, we are of the view and concur with the view of the Management that grant of Options is one of the ways for retaining talents and in the interests of the Company and the Shareholders as a whole.

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the Board Letter, upon approval of the refreshment of the Service Provider Sublimit by the Independent Shareholders, the refreshed Service Provider Sublimit will be identically kept at 3% of the total number of Shares in issue as at the date of the Shareholders' approval of such refreshment, which aligns with the terms of the Share Option Scheme and the Service Provider Sublimit approved by the then Shareholders on 5 December 2022. As stated in the Board Letter and the Share Option Scheme, in order to be eligible for participating in the 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) for suppliers of goods, the scale of the relevant Service Provider's business dealings with the Group in terms of purchase attributable to such Service Provider 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) for (i) advisors, consultants, business or joint venture partners, contractors, agents or representatives of any member of the Group, and (ii) a person or entity that engages in design and/or research and development work for any member of the Group, the contribution to the Group's revenue or profit in the relevant business segment in the last financial year attributable to relevant Service Provider 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.

Having considered that:

- (i) the Service Providers who are eligible for participating in the Share Option Scheme would have stable business relationship with the Group and making significant contribution to the Group's revenue or profit in recent financial year(s);
- (ii) offering Share Options to eligible Service Providers will align their interests with those of the Group, attracting talented individuals from various industries in which the Group operates and promote the Group's long-term growth and profitability;
- (iii) while the Company has not granted any Share Options to the Service Providers under the current Share Option Scheme as at the Latest Practicable Date, the number of share options granted to the Service Providers under previous share option schemes of the Company, which amounted to approximately 30% of the total number of share options granted thereunder as at the Latest Practicable Date and was one of the factors in determining the Service Provider Sublimit approved by the then Shareholders on 5 December 2022;

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) the refreshed Service Provider Sublimit will be identically kept at 3% of the total number of Shares in issue as at the date of the Shareholders' approval of such refreshment, which aligns with the terms of the Share Option Scheme and the Service Provider Sublimit approved by the then Shareholders on 5 December 2022 and provide sufficient flexibility based on previous grants for the Board to exercise their discretion to grant Share Options to the Service Providers; and
- (v) the refreshed Service Provider Sublimit reserve the majority portion of the Scheme Mandate Limit for eligible employee participants of the Group,

we are of the view and concur with the Management's view that the refreshment of Service Provider Sublimit is fair and reasonable.

As the Scheme Mandate Limit is 99.98% utilised, the number of Share Options that can be granted to the Service Providers is severely limited if the Scheme Mandate Limit and the Service Provider Sublimit are not refreshed. According to the Management, the Company considers that although the Company has not granted any Share Options to the Service Providers since adoption of the Share Option Scheme, the Service Provider Sublimit should also be refreshed in order to maintain flexibility to provider equity incentive to reward and collaborate with Service Providers, who are not employees or officers of the Group but may still be able to provide valuable expertise and/or services to the Group.

Although (i) the Share Option Scheme was adopted on 5 December 2022 which is less than two years prior to the Latest Practicable Date; and (ii) the Company did not intend to grant any Share Options under the Share Option Scheme as at the Latest Practicable Date, having also considered:

- (i) the Scheme Mandate Limit is 99.98% utilised and it would severely limit the effectiveness and flexibility for the Group to provide incentives or rewards to eligible participants and expertise for their contributions to the Group;
- (ii) according to the Annual Results 2024, the Group has recorded continuous losses for the year of the Group for FY2023 (i.e. approximately HK\$176.76 million) and FY2024 (i.e. approximately HK\$89.25 million). Accordingly, the granting of Share Options is a prudent approach for the Group which (a) represents an appropriate means to attract and retain talents and expertise without cash outflow; and (b) enables the Group to maintain its liquid capital to carry on its current business and sufficient buffer cash for future or sudden use; and
- (iii) the additional costs and time required in granting Share Options should a separate general meeting be convened to approve the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit,

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(c) Potential dilution of shareholding of the Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) assuming all the outstanding Share Options of the Company are fully exercised as at the Latest Practicable Date; and (iii) upon full utilisation of the refreshed Scheme Mandate Limit, all the outstanding Share Options of the Company are fully exercised after the date of AGM (assuming no other Shares are issued and/or repurchased and cancelled by the Company from the Latest Practicable Date up to and including the date when the refreshed Scheme Mandate Limit is utilised in full) and full exercise of the Share Options issued under the refreshed Scheme Mandate Limit into Shares, provided by the Company for illustrative and reference purpose:

| Shareholders | As at the Latest Practicable Date | | As at the Latest Practicable Date (assuming all the outstanding Share Options of the Company are fully exercised) | | Immediately upon full utilisation of the refreshed Scheme Mandate Limit, all the outstanding Share Options of the Company are fully exercised after the date of AGM (assuming no other Shares are issued and/or repurchased and cancelled by the Company from the Latest Practicable Date up to and including the date when the refreshed Scheme Mandate Limit is utilised in full) and full exercise of the Share Options issued under the refreshed Scheme Mandate Limit into Shares | |
|----------------------------|-----------------------------------|---------------------------------|---|---------------------------------|--|---------------------------------|
| | <i>Approximate %</i> | | <i>Approximate %</i> | | <i>Approximate %</i> | |
| | <i>Number of Shares held</i> | <i>of total Shares in issue</i> | <i>Number of Shares held</i> | <i>of total Shares in issue</i> | <i>Number of Shares held</i> | <i>of total Shares in issue</i> |
| <i>Executive Directors</i> | | | | | | |
| Chau Lai Him | – | – | 1,180,000 <i>(Note 2)</i> | 0.90% | 1,180,000 <i>(Note 2)</i> | 0.83% |
| Chau Chi Ho | 1,980,000 | 1.67% | 3,160,000 <i>(Note 2)</i> | 2.42% | 3,160,000 <i>(Note 2)</i> | 2.22% |
| Liu Dong Yang | – | – | 1,180,000 <i>(Note 2)</i> | 0.90% | 1,180,000 <i>(Note 2)</i> | 0.83% |

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| Shareholders | As at the Latest Practicable Date | | As at the Latest Practicable Date (assuming all the outstanding Share Options of the Company are fully exercised) | | Immediately upon full utilisation of the refreshed Scheme Mandate Limit, all the outstanding Share Options of the Company are fully exercised after the date of AGM (assuming no other Shares are issued and/or repurchased and cancelled by the Company from the Latest Practicable Date up to and including the date when the refreshed Scheme Mandate Limit is utilised in full) and full exercise of the Share Options issued under the refreshed Scheme Mandate Limit into Shares | |
|--|-----------------------------------|--|---|--|--|--|
| | Number of Shares held | Approximate % of total Shares in issue | Number of Shares held | Approximate % of total Shares in issue | Number of Shares held | Approximate % of total Shares in issue |
| | | | | | | |
| <i>Independent non-executive Directors</i> | | | | | | |
| Chung Kam Kwong | – | – | 110,000 <i>(Note 2)</i> | 0.08% | 110,000 <i>(Note 2)</i> | 0.08% |
| Lo Wai Ming | 20,000 | 0.02% | 130,000 <i>(Note 2)</i> | 0.10% | 130,000 <i>(Note 2)</i> | 0.09% |
| Lo Chao Ming | 15,000 | 0.01% | 125,000 <i>(Note 2)</i> | 0.10% | 125,000 <i>(Note 2)</i> | 0.09% |
| Holder of outstanding options of the Company | – | – | 8,000,000 <i>(Note 2)</i> | 6.13% | 8,000,000 <i>(Note 2)</i> | 5.61% |
| Other public Shareholders | 116,711,617 | 98.30% | 116,711,617 | 89.37% | 116,711,617 | 81.92% |
| Maximum number of new Shares that can be issued under the refreshed Scheme Mandate Limit | – | – | – | – | 11,872,661 | 8.33% |
| Total | 118,726,617 | 100.00% | 130,596,617 | 100.00% | 142,469,278 | 100.00% |

APPENDIX V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. All interests stated are long positions.
2. The number of shares included the Share Options granted by the Company on 27 May 2024 (details of which please refer to the Company's announcement dated 27 May 2024) and assuming they are fully exercised.

As illustrated above, the shareholding of the existing public Shareholders would be diluted from approximately 98.30% as at the Latest Practicable Date to (i) approximately 89.37% assuming all the outstanding options of the Company are fully exercised as at the Latest Practicable Date; and (ii) approximately 81.92% upon full utilisation of the refreshed Scheme Mandate Limit, all the outstanding options of the Company are fully exercised after the date of AGM and full exercise of the Options issued under the new Scheme Mandate Limit into Shares.

Taking into consideration that:

- (i) the Scheme Mandate Limit was 99.98% utilised and it would severely limit the effectiveness and flexibility for the Group to provide incentives or rewards to eligible participants and expertise for their contributions to the Group as mentioned above in this letter;
- (ii) according to the Annual Results 2024, the Group has recorded continuous losses for the year of the Group for FY2023 (i.e. approximately HK\$176.76 million) and FY2024 (i.e. approximately HK\$89.25 million), the granting of Options is a prudent approach for the Group which (a) represents an appropriate means to attract and retain talents and expertise without cash outflow; and (b) enables the Group to maintain its liquid capital to carry on its current business and sufficient buffer cash for future or sudden use as mentioned above in this letter,

we consider that the dilution effect on the shareholding interests of the existing public Shareholders as a result of the grant of Options under the refreshed Scheme Mandate Limit is acceptable.

RECOMMENDATIONS

Having taken into account the principal factors and reasons set out above, we are of the opinion that the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit is on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) approving proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit.

Yours faithfully,
For and on behalf of
Nuada Limited

Kim Chan
Director

Herman Luk
Assistant Manager

Mr. Kim Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 20 years of experience in corporate finance industry.

Mr. Herman Luk is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 9 years of experience in corporate finance industry.

**SOLARTECH INTERNATIONAL HOLDINGS LIMITED****星凱控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 1166)****NOTICE OF 2024 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2024 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 Friday, 6 December 2024 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 2024.
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

* for identification purposes only

additional shares of HK\$0.20 each in the capital of the Company (the “Shares”, including any sale and transfer of Shares out of treasury that are held as treasury Shares (which shall have the meaning ascribed to it under the Listing Rules (as defined below)) 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 (including any treasury Shares sold and/or transferred or agreed conditionally or unconditionally to be sold and/or transferred) 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 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 (excluding any treasury Shares), 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 (the “**Listing Rules**”) 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 (excluding any treasury Shares), 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\$0.20 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 (including any treasury Shares that may be sold and/or transferred or agreed conditionally or unconditionally to be sold and/or transferred), 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 (excluding any treasury Shares).”
- 7. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of any Share Options (as hereinafter defined) that may be granted pursuant to the Share Option Scheme (as hereinafter defined) under the Refreshed Scheme Mandate Limit (as hereinafter defined), the refreshment of the total number of Shares that may be issued upon exercise of all the options (the “**Share Options**”) to subscribe for Shares to be granted under the share option scheme of the Company adopted on 5 December 2022 (the “**Share Option Scheme**”) and any other share schemes of the Company be and is hereby approved provided that the total number of Shares which may be allotted and issued upon exercise of all the Share Options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, exercised, or lapsed in accordance with the terms of the Share Option Scheme or any other share schemes of the Company or its subsidiaries, as the case may be) shall not exceed 10 per cent of the issued share capital of the Company (excluding treasury Shares) as at the date of the passing of this Resolution (the “**Refreshed Scheme Mandate Limit**”) and the Directors be and are hereby authorised, subject to compliance with the Listing Rules, to grant the Share Options under the Share Option Scheme up to the Refreshed Scheme Mandate Limit, to exercise all powers of the Company to allot, issue and deal with the Shares of the Company pursuant to the exercise of the Share Options and to do such acts and execute such documents for or incidental to such purposes.”

8. “**THAT** subject to and conditional upon (i) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Share Options that may be granted pursuant to the Share Option Scheme under the Refreshed Scheme Mandate Limit, and (ii) the passing of the ordinary resolution numbered 7 above, within the Refreshed Scheme Mandate Limit, the refreshment of the limit on the grant of Share Options to the service providers of the Company (as defined in the Share Option Scheme) under the Share Option Scheme being 3% of the Shares in issue (excluding treasury Shares) as at the date of passing this resolution (the “**Service Provider Sublimit**”) be and is hereby approved, and the Directors be and are hereby authorised, subject to compliance with the Listing Rules, to grant share options to the service providers under the Share Option Scheme and any other share schemes 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 and to do such acts and execute such documents for or incidental to such purposes.”

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

9. “**THAT**
- (a) the existing bye-laws of the Company be and are hereby amended in the manner as set out in Appendix III (the “**Proposed Amendments**”) to the circular of the Company dated 24 October 2024 (the “**Circular**”); and the new amended and restated bye-laws of the Company in the form produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification (the “**New Bye-laws**”), which consolidates and incorporates all the Proposed Amendments, be approved and adopted in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect from the conclusion of the meeting; and
 - (b) any one director of the Company be and is hereby authorised to do all acts and things and to sign, execute and deliver all documents as he may deem necessary, expedient or appropriate to give effect to or otherwise in connection with the Proposed Amendments and adoption of the New Bye-laws.”

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

Hong Kong
24 October 2024

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 Wednesday, 4 December 2024) or any adjournment thereof.
- (2) The register of members of the Company will be closed for the purpose of holding the Meeting from Tuesday, 3 December 2024 to Friday, 6 December 2024 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 Wednesday, 4 December 2024. Shareholders whose names appear on the register of members of the Company on Friday, 6 December 2024 will be entitled to attend and vote at the Meeting.
- (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 24 October 2024 (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) Arrangements due to bad weather
 - (a) If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 9:00 a.m. on 6 December 2024, the Meeting will not be held on 6 December 2024, but it will be held on the first Business Day immediately after 6 December 2024 at the same time and at the Company's Head Office and principal place of business in Hong Kong, Unit 16, 12/F., Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong, provided that the black rainstorm warning or a tropical cyclone warning signal number 8 has been withdrawn. "Business Day", in this context, shall mean a day (excluding Saturday) on which banks are open for general banking business in Hong Kong.
 - (b) If "extreme conditions" caused by super typhoons or other adverse weather conditions are announced by Hong Kong Government at or after 9:00 a.m. on 6 December 2024, the Meeting will not be held on 6 December 2024, but it will be held on the first Business Day immediately after 6 December 2024 at the same time and at the Company's Head Office and principal place of business in Hong Kong, Unit 16, 12/F., Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong, provided that the "extreme conditions" has been cancelled. "Business Day", in this context, shall mean a day (excluding Saturday) on which banks are open for general banking business in Hong Kong.

- (9) 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.
- (10) References to time and dates in this notice are to Hong Kong time and dates.