

**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 was effected for transmission to the purchaser or transferee.

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## **SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**蒙古礦業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

### **PROPOSALS FOR GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES, RE-ELECTION OF RETIRING DIRECTORS, ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Solartech International Holdings Limited to be held at Room 730, 7/F, KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 18 December 2012 at 10:00 a.m. at which the above proposals will be considered is set out in Appendix IV to this circular.

A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at Unit 7, 2<sup>nd</sup> Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, 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 or the adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

*\* for identification purposes only*

24 October 2012

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**Accompanying document:**

Form of Proxy

## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution to be passed by the Shareholders at the AGM;
“AGM”	the 2012 annual general meeting of the Company to be held on Tuesday, 18 December 2012, notice of which is set out in Appendix IV to this circular;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Capital Reduction”	the proposed reduction of the nominal value of the Consolidated Shares to be issued from HK\$0.20 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.19 on each of the Consolidated Shares to be issued;
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving, inter alia, the Share Consolidation and the Capital Reduction, details of which are set out in the announcement and circular of the Company dated 8 October 2012 and 22 October 2012, respectively;
“Capital Reorganisation Effective Date”	the date on which the Capital Reorganisation will become effective, which will be the next business day following the date of the passing of the relevant resolution approving the Capital Reorganisation at the SGM;
“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);
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the issued share capital of the Company immediately after the Share Consolidation but before the Capital Reduction;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

## DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“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 nominal value of the share capital of the Company in issue as at the date of passing of the resolution granting such mandate (as extended by adding to it the aggregate nominal value of the share capital of the Company repurchased under the Repurchase Mandate);
“Latest Practicable Date”	16 October 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme proposed to be adopted at the AGM, the principal terms of which are set out in Appendix III of this circular;
“Old Scheme”	the share option scheme adopted by the Company on 16 September 2002 and which expires no later than 16 October 2012;
“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to purchase Shares up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the resolution granting such mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended from time to time;
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, pass the resolutions to approve, among other things, the Capital Reorganisation;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Share Consolidation”	the proposed consolidation of every twenty (20) Shares in issue into one (1) Consolidated Share;
“Shareholder(s)”	holder(s) of the Share(s);

## DEFINITIONS

“Share Option(s) ”	the option(s) to subscribe for Share(s) under the share option schemes of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

LETTER FROM THE BOARD



**SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**蒙古礦業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

*Executive directors:*

CHAU Lai Him (Chairman and Managing Director)

ZHOU Jin Hua (Deputy Chairman)

LIU Dong Yang

BUYAN-OTGON Narmandakh

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Independent non-executive directors:*

CHUNG Kam Kwong

LO Wai Ming

LO Chao Ming

*Head office and principal*

*place of business:*

Unit 7, 2<sup>nd</sup> Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

24 October 2012

*To the Shareholders,*

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Tuesday, 18 December 2012, for the approval of (i) granting

*\* for identification purposes only*

## LETTER FROM THE BOARD

to the Directors of the Issue Mandate; (ii) granting to the Directors of the Repurchase Mandate; (iii) re-election of retiring Directors; and (iv) adoption of the New Share Option Scheme. The existing general mandates for the issue of new securities of the Company and the repurchase of Shares will lapse at the forthcoming AGM.

### GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

The Company has proposed to implement the Capital Reorganisation and resolutions will be proposed at the SGM for the Capital Reorganisation.

An ordinary resolution will be proposed at the AGM that the Directors be granted the Issue Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 2,771,913,018 Shares in issue. Assuming completion of the Capital Reorganisation, the Company will have an aggregate of 138,595,650 Shares in issue at the Capital Reorganisation Effective Date. Subject to the passing of the proposed ordinary resolution at the AGM for the 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 554,382,603 Shares (without taking into account the effect of the Capital Reorganisation) or 27,719,130 Shares (assuming completion of the Capital Reorganisation), representing 20% of the aggregate nominal amount of the share capital of the Company 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 AGM.

At the AGM, an ordinary resolution will also be proposed that the Directors be granted the Repurchase Mandate. Details of the Repurchase Mandate are set out in ordinary resolution B under item 6 of the Notice of AGM.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the total number of Shares which may be allotted and issued under the Issue Mandate. Further details are set out in ordinary resolution C under item 6 of the Notice of AGM.

The Repurchase 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 the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix 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 resolutions at the AGM in relation to the Repurchase Mandate.

## **LETTER FROM THE BOARD**

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

Messrs. Liu Dong Yang, Buyan-Otgon Narmandakh and Lo Wai Ming 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-laws 86(2) and 87 of the Bye-laws.

Brief biographies of Messrs. Liu Dong Yang, Buyan-Otgon Narmandakh and Lo Wai Ming, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

### **ADOPTION OF NEW SHARE OPTION SCHEME**

The Directors propose the adoption of the New Share Option Scheme, the principal terms of which are set out in Appendix III to this circular. An ordinary resolution will be proposed at the AGM for the Company to approve the adoption of the New Share Option Scheme.

A copy of the New Share Option Scheme is available for inspection at the head office and principal place of business of the Company at Unit 7, 2<sup>nd</sup> Floor, Kingsford Industrial Centre, 13 Wang Hoi Road Kowloon Bay, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

#### **The Old Scheme**

The Old Scheme was conditionally adopted by the Company by a resolution of the then Shareholders passed on 16 September 2002 and expires no later than 16 October 2012.

As at the Latest Practicable Date, Share Options carrying rights to subscribe for an aggregate of 126,120,000 Shares have been granted and exercised and an aggregate of 126,120,000 Shares had been issued. After the expiration of the Old Scheme, no further Share Option would be granted pursuant to the Old Scheme. Apart from the Old Scheme, the Company has no other share option scheme in issue as at the Latest Practicable Date.

#### **Reasons for adopting the New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentives or rewards to the eligible persons thereunder for their contributions and continuing efforts to promote the interests of the Group and to enable the Group to recruit and retain high calibre employees.

The New Share Option Scheme permits the Company to grant Share Options to a wide category of eligible persons as is the case under the Old Scheme. Under the rules of the New Share Option Scheme, the Board has discretion to set a minimum period for which a Share Option has to be held before the exercise of the subscription rights attaching thereto and to set the subscription price in accordance with the Listing Rules. This discretion allows the Board to provide incentive to participants to remain as eligible persons and thereby enables the Group to continue to benefit from the services and contribution of such eligible persons. The discretion, coupled with the power of the Board to impose any performance target as it considers appropriate before any Share Option can be exercised, enables the Group to provide incentives to the eligible persons to use their best endeavours in assisting the growth and development of the Group.



## LETTER FROM THE BOARD

### Conditions of the New Share Option Scheme

The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders;
- (ii) the Stock Exchange approving the New Share Option Scheme (and any Share Options which may be granted under it) and the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of Share Options under the New Share Option Scheme; and
- (iii) the Bermuda Monetary Authority granting approval for the issue of Share Options under the New Share Option Scheme and the issue of Shares pursuant to the exercise of such Share Options, if required.

### Value of the Share Options

The Directors consider that it is not appropriate to state the value of all the Share Options that can be granted under the New Share Option scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are critical for the calculation of the value of such Share Options cannot be determined. The variables which are critical for the determination of the value of such Share Options include inter alia, (i) the subscription price for the Shares upon the exercise of the subscription rights attaching to the Share Options, (ii) whether or not Share Options will be granted under the New Share Option Scheme and the timing of the granting of such Share Options, (iii) the period during which the subscription rights may be exercised, (iv) the discretion of the Board to impose any performance target that has to be achieved before the subscription rights attaching to the Share Options can be exercised and any other conditions that the Board may impose on the Share Options and (v) whether or not such Share Options if granted will be exercised by the eligible persons. The subscription price payable for the Shares depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Share Options under the New Share Option Scheme. With a scheme life of 10 years, the Board is of the view that it is too premature to state whether or not Share Options will be granted under the New Share Option Scheme, and if so, the number of Share Options that may be granted. It is also difficult to ascertain with accuracy the subscription price of the Shares given the volatility which the Share price may be subject to during the 10-year life of the New Share Option Scheme. In the circumstances, the Directors are of the view that the value of the Share Options depends on a number of variables which are either difficult to evaluate or can only be evaluated subject to a number of theoretical basis and speculative assumptions. Accordingly, the Directors believed that any calculation of the value of the Share Options will not be meaningful and may be misleading to Shareholders in the circumstances.

As at the Latest Practicable Date, there were 2,771,913,018 Shares in issue. Assuming completion of the Capital Reorganisation, the Company would have an aggregate of 138,595,650 Shares in issue at the Capital Reorganisation Effective Date. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the

## LETTER FROM THE BOARD

Adoption Date and subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM, the maximum number of Shares which may be allotted and issued upon exercise of all options which may be granted under the New Share Option Scheme and any other share option schemes of the Company will be 277,191,301 Shares (without taking into account the effect of the Capital Reorganisation) or 13,859,565 Shares (assuming completion of the Capital Reorganisation), being 10% of the total issued capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10% limit provided that the maximum number of Shares in respect of which options may be granted under the New Share Option Scheme together with any options outstanding and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares representing 10% of the issued share capital of the Company as at the Adoption Date which may fall to be allotted and issued upon the exercise of the options which may be granted under the New Share Option Scheme and any other share option schemes of the Company.

### NOTICE OF THE AGM

Notice of the AGM is set out in Appendix IV to this circular. A proxy form for appointing proxy is also enclosed with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at Unit 7, 2<sup>nd</sup> Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjournment thereof. Completion and return of a proxy form will not preclude you from attending and voting in person at the AGM or the 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 vote results will be made 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, no Shareholders will be required to abstain from voting on any resolutions to be approved at the AGM.

### RECOMMENDATION

The Directors consider that the proposed granting of the Issue Mandate and the Repurchase Mandate to the Directors, the re-election of the retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### GENERAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board  
**Chau Lai Him**  
*Chairman*

This Appendix serves as an explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide certain information to you for your consideration of the proposal to approve Repurchase Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 2,771,913,018 Shares in issue.

Assuming completion of the Capital Reorganisation, the Company would have an aggregate of 138,595,650 Shares in issue at the Capital Reorganisation Effective Date.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 277,191,301 Shares (without taking into account the effect of the Capital Reorganisation) or 13,859,565 Shares (assuming completion of the Capital Reorganisation) 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 resolutions of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

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 repurchase its Shares on the Stock Exchange. Such repurchases 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 repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate shall be funded out of cash flow or working capital facilities of the Group which will be funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased Shares will be cancelled and the Company's issued share capital will be reduced by the nominal value of those repurchased Shares 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 accounts contained in the annual report of the Company for the year ended 30 June 2012) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase 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 <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2011</b>		
October	0.265	0.149
November	0.225	0.172
December	0.218	0.177
<b>2012</b>		
January	0.189	0.159
February	0.188	0.126
March	0.136	0.075
April	0.104	0.076
May	0.095	0.076
June	0.085	0.075
July	0.077	0.055
August	0.063	0.036
September	0.040	0.031
1 October to Latest Practicable Date	0.037	0.029

#### 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 associates, has any present intention to sell any Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase 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 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 Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase 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 Hong Kong Code on Takeovers and Mergers (the "**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 Code. As at the Latest Practicable Date, the Company had no substantial Shareholders. Such an increase will not trigger any mandatory general offer obligations under the Code. Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

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

## APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

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

### EXECUTIVE DIRECTORS

**Mr. Liu Dong Yang** (“**Mr. Liu**”), aged 38, joined the Group in September 1995 and has been appointed as an executive Director since January 2010. Mr. Liu is the deputy general manager of Shanghai Chau’s Electrical Company Limited (“**Shanghai Chau’s**”) which is an indirect wholly-owned subsidiary of the Company and is responsible for the financial matters for the trading and manufacturing operations in Shanghai. He holds a professional diploma in international finance from Hunan Finance and Economics College, a bachelor degree in business administration from the Renmin University of China. He is a member of the Chinese Institute of Certified Public Accountants. He has more than 15 years’ experience in finance and accounting. Mr. Liu is entitled to receive a basic salary of RMB10,150 per month (equivalent to approximately HK\$12,600) and a discretionary performance bonus in his capacity as the deputy general manager of Shanghai Chau’s. Mr. Liu does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Liu does not have a service contract with the Company and he is entitled to a fixed director’s fee of HK\$240,000 per annum which is determined with reference to market rates. No terms has been fixed or proposed for Mr. Liu’s length of service with the Company. He is subject to retirement by rotation and re-election in accordance with the Bye-Laws. Save as disclosed herein, Mr. Liu does not hold any other directorship and there are no other matters concerning Mr. Liu that needs 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. Buyan-Otgon Narmandakh** (“**Mr. Buyan-Otgon**”), aged 37, has been appointed as an executive Director since July 2010. He has extensive experience in banking and finance in Mongolia. Mr. Buyan-Otgon has focused on resources and investments and finance in Mongolia. Save as disclosed herein, Mr. Buyan-Otgon does not hold any other position with the Group or any other directorship. He holds a diploma in economics and accounting from the Mongolian State University of Agriculture, a graduate diploma in public administration from the Government of Mongolia Academy of Management and a degree of M.B.A. in accounting from the National University of Mongolia. Mr. Buyan-Otgon entered into a service agreement with the Company in respect of his directorship with no fixed period of employment, subject to termination by either party on one month’s notice. Pursuant to the service agreement, he is entitled to a fixed director’s fee of US\$18,000 per annum which is determined with reference to market rates. He is subject to retirement by rotation and re-election in accordance with the Bye-Laws. Mr. Buyan-Otgon does not have any interests in the Company within the meaning of Part XV of the SFO, nor any relationship with any of the Directors, senior management or substantial or controlling Shareholders. Save as disclosed herein, there are no other matters concerning Mr. Buyan-Otgon that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

## APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED

### INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Lo Wai Ming** (“**Mr. Lo**”), aged 60, has been appointed as an independent non-executive Director since January 2000. He is the president of Greater China Asset Management Limited. He is also the director and general manager of SW China Strategic Holdings Limited. Save as disclosed herein, Mr. Lo does not hold any other position with the Group or any other directorship. He has over 30 years’ extensive experience in capital investment, consumer marketing, infrastructure investment and management, business development and corporate finance. He holds a bachelor degree in Social Sciences (Hons) and a master degree in business administration from the Chinese University of Hong Kong. He is a member of the Chartered Institute of Marketing and the Chartered Management Institute of the United Kingdom. Mr. Lo has been appointed as an independent non-executive Director since 6 January 2000 and has been in such office for more than 11 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. Mr. Lo does not have any relationship with any of the Directors, senior management or substantial or controlling Shareholders, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Lo does not have a service contract with the Company and he is entitled to a fixed director’s fee of HK\$180,000 per annum which is determined with reference to market rates. 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 to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.



**PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

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

**(a) Purpose of the Scheme**

The purpose of the New Share Option Scheme is to provide incentives and/or rewards to Eligible Persons (as defined below) for their contributions to, and continuing efforts to promote the interests of the Group and to enable the Company and the Group to recruit and retain high calibre employees.

**(b) Who may join**

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe for such number of Shares in accordance with the terms set out in the New Share Option Scheme to:

- (aa) any proposed executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time Employee, or a person for the time being seconded to work fulltime or part-time for any member of the Group;
- (bb) a director or proposed director (including an independent non-executive director) of any member of the Group;
- (cc) a direct or indirect shareholder of any member of the Group;
- (dd) a supplier of goods or services to any member of the Group;
- (ee) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (ff) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and
- (gg) an associate of any of the foregoing persons, (the persons referred above are the “**Eligible Persons**”, and each an “**Eligible Person**”).

**(c) Maximum number of Shares**

- (aa) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any options granted and yet to be exercised under any other share option schemes shall not exceed 30% of the Company’s issued share capital from time to time. No options may be granted under the New Share Option Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

- (bb) The maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”).
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not exceed 10 per cent. of the Shares in issue as at the date of approval of the Scheme Mandate Limit.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant options beyond the Scheme Mandate Limit or, if applicable, the limit referred to in (cc) above to Eligible Persons specifically identified by the Company before such approval is sought.

(d) **Maximum entitlement of each participant**

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company’s issued share capital from time to time.

(e) **Offer and grant of Options**

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

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

**(f) Granting Options to Connected Persons**

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

Where any grant of Options to a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(aa) representing in aggregate over 0.1% of the relevant class of securities in issue; and

(bb) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders. The Company shall send a circular to Shareholders containing the information required under the Listing Rules. All connected persons of the Company (as defined in the Listing Rules) must abstain from voting in favour at such general meeting.

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

**(g) Offer period and number accepted**

An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before 28 days after the offer date. To the extent that an offer is not accepted within the time stated in the offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse.

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

(h) **Restriction on the time of grant of Options**

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

(i) **Exercise price**

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

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

(j) **Exercise of Option**

An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option Period (as defined below) in the manner as set out in this scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. "**Option Period**" means a period to be determined and notified by the Board to the grantee during which period the Option may be exercised and in any event shall not exceed 10 years commencing from the date on which the offer in relation to such Option is accepted.

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

Subject as hereinafter provided:

- (aa) where the holder of an outstanding Option ceases to be an Eligible Person for any reason, the Option, or any part of the Option which has yet to be vested and/or exercisable prior to the date of cessation shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Options shall be exercisable to the extent and within such period (not exceeding 30 days) as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Group, his last actual working day at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Group, the date on which the relationship constituting him an Eligible Person ceases;
- (bb) where the holder of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such holder or, if appropriate, an election made pursuant to the terms of this scheme by his or her personal representatives within 12 months of the date of death;
- (cc) if a general offer by way of a take-over is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the holders of outstanding Options (or his personal representatives) may by notice in writing to the Company within 14 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to such 14 day period shall lapse in such situation;
- (dd) if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the holders of outstanding Options (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company within 14 days of such approval exercise the Option to its full extent or to the extent specified in such notice. For the avoidance of doubt, any Option which has yet to be vested prior to the end of such 14 days shall lapse in such situation; and
- (ee) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, each holder of outstanding Options (or his or her personal representatives) shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than three business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to such holder credited as fully paid.

**(k) Ranking of Shares**

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws and the Companies Act 1981 of Bermuda as amended from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first date of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date herefor shall be before the allotment date.

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

**(l) Life of Share Option Scheme**

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

**(m) Lapse of an Option**

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

- the expiry of the Option Period;
- the expiry of any of the period referred to paragraphs related to exercise of Option in this appendix;
- subject to the period mentioned in paragraph (ee) of “Exercise of Option” in this appendix, the date of the commencement of the winding-up of the Company;
- the date on which the Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract or arrangement constituting him an Eligible Person, or the date on which begins to appear

to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he has been convicted of any criminal offence involving his or her integrity or honesty;

- if an Option was granted subject to certain conditions, restrictions or limitation, the date on which such conditions, restrictions or limitation is not satisfied or capable of being satisfied; or
- the date on which a holder of outstanding Options commits a breach of the transferability prohibition. No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

(n) **Adjustment**

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

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

provided that:

- no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- any such adjustments must be made so that each Grantee is given the same proportion of the share capital of the Company as that to which he was previously entitled;
- no such adjustments shall be made which would result in the subscription price for a Share being less than its nominal value, provided that in such circumstances the subscription price shall be reduced to the nominal value;
- any such adjustments, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors of the Company (the “**Auditors**”) in writing to the Directors that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Board is fair and reasonable; and

- any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall, upon receipt of a notice from a Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the independent financial adviser or the Auditors (as the case may be) obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the independent financial adviser or the Auditors (as the case may be) as soon as practicable to issue a certificate in that regard.

**(o) Termination**

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

**(p) Transferability**

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

**(q) Alteration**

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

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



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

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

**(r) Cancellation of Options granted**

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

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

**SOLARTECH INTERNATIONAL HOLDINGS LIMITED****蒙古礦業控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 1166)****NOTICE OF 2012 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2012 Annual General Meeting (the “**Meeting**”) of Solartech International Holdings Limited (the “**Company**”) will be held at Room 730, 7/F, KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, on Tuesday, 18 December 2012 at 10:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 30 June 2012.
2. 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.
3. To re-elect Mr. Buyan-Otgon Narmandakh as an executive director of the Company and to authorise the board of directors to fix his remuneration.
4. To re-elect Mr. Lo Wai 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 auditors of the Company and to authorise the board of directors to fix their 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 board of directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01

*\* for identification purposes only*

each in the capital of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) 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 nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval granted in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (1) a Rights Issue (as hereinafter defined);
  - (2) an issue of Shares pursuant to the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
  - (3) 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; or
  - (4) an issue of Shares by the exercise of options granted under any share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the approval granted in paragraph (a) of this Resolution shall be limited accordingly; and

- (d) for the purpose of this Resolution,

“**Relevant Period**” means the period from the 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; and

“**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 repurchase Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other 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 (“**Recognised Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company which the Directors is authorised to repurchase pursuant to the approval granted in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the 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 the Resolutions set out in paragraphs A and B of item 6 in the notice convening the Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, and options which would or might require

the exercise of such powers, pursuant to Resolution set out in paragraph A of item 6 above be and is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate, an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution set out in paragraph B of item 6 above provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

7. “**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, Shares which may fall to be issued pursuant to the exercise of any options under the new share option scheme of the Company, as defined and summarised in the circular dated 24 October 2012 of the Company (the rules of which are contained in the document produced to the meeting marked “A” and signed by the Chairman of this meeting for the purposes of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted by the Company and that the board of Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:
- (a) to administer the New Share Option Scheme under which options will be granted (whether with or without any conditions, restrictions or limitations as it may think fit) to eligible persons under the New Share Option Scheme to subscribe for Shares;
  - (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
  - (c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme;
  - (d) to make application at the appropriate time or times to the Stock Exchange for listing of and permission to deal in any Shares which may from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and
  - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the Board  
**Chau Lai Him**  
*Chairman*

Hong Kong  
24 October 2012

*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, subject to the provisions of the bye-laws of the Company, 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 with the head office and principal place of business of the Company in Hong Kong at Unit 7, 2<sup>nd</sup> Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, 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 for holding the Meeting or adjournment thereof.
- (2) The register of members of the Company will be closed for the purpose of holding the Meeting from Friday, 14 December 2012 to Monday, 17 December 2012, both days inclusive, during which period no transfer of Shares will be effected. 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 Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 December 2012.
- (3) In accordance with the Rules Governing the Listing of Securities on the Stock Exchange, an explanatory statement containing further details regarding Resolution B set out in item 6 of this notice is set out in Appendix I to the circular to the shareholders of the Company dated 24 October 2012.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) The Directors as at the date of this notice are Messrs. Chau Lai Him, Zhou Jin Hua, Liu Dong Yang and Buyan-Otgon Narmandakh being the Executive Directors, and Messrs. Chung Kam Kwong, Lo Wai Ming and Lo Chao Ming being the Independent Non-Executive Directors.