

---

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

---

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

**If you have sold or transferred** all your shares in L.K. Technology Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other 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.

---



**力勁科技集團有限公司**  
**L.K. TECHNOLOGY HOLDINGS LIMITED**

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

**(Stock Code: 558)**

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

---

A notice convening the Annual General Meeting to be held at The Garden Rooms, 2/F, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 8 September 2016, at 10:00 a.m. is set out on pages 26 to 30 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy accompanying the notice of the Annual General Meeting in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting or any adjournment thereof and voting in person if you so wish and in such event, the form of proxy will be deemed to be revoked.

27 July 2016

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
1. Introduction .....	4
2. General Mandates to Issue New Shares and Repurchase Shares .....	5
3. Re-election of Retiring Directors .....	5
4. Proposed Adoption of the New Share Option Scheme and Proposed Termination of the Existing Share Option Scheme .....	6
5. Responsibility Statement .....	8
6. Annual General Meeting .....	8
7. Recommendation .....	8
8. General Information .....	9
<b>APPENDIX I – EXPLANATORY STATEMENT</b> .....	10
<b>APPENDIX II – DETAILS OF THE RETIRING DIRECTORS                   PROPOSED TO BE RE-ELECTED AT                   THE ANNUAL GENERAL MEETING</b> .....	13
<b>APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF                   THE NEW SHARE OPTION SCHEME</b> .....	15
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	26

---

## DEFINITIONS

---

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders;
“Annual General Meeting”	the annual general meeting of the Company to be held at The Garden Rooms, 2/F, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 8 September 2016 at 10:00 a.m.;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors or (only in the case of the New Share Option Scheme) a duly authorised committee thereof;
“business day”	has the same meaning ascribed to it under the Listing Rules;
“close associates”	has the same meaning ascribed to it under the Listing Rules;
“Company”	L.K. Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“core connected person”	has the same meaning ascribed to it under the Listing Rules;
“Designated Stock Exchange”	a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;
“Directors”	the directors of the Company;
“Eligible Person(s)”	the persons who may be invited by the Directors to take up Options as referred to in the New Share Option Scheme;

---

## DEFINITIONS

---

“Girgio”	Girgio Industries Limited, a company incorporated in the British Virgin Islands and is beneficially owned as to 95% by Fullwit Profits Limited as trustee of The Liu Family Unit Trust and 5% by Mr. Liu Siong Song;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	as defined in paragraph 2(a) of the Letter from the Board in this circular;
“Latest Practicable Date”	19 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Date”	16 October 2006, on which dealings in Shares first commenced on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Share Option Scheme”	the new share option scheme proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in the appendix to the circular;
“Offer Date”	in respect of an offer of the grant of an Option, the date of the Board resolution approving the grant of such Option, which must be a business day;
“Options”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board in this circular;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

---

## DEFINITIONS

---

“subsidiary”	has the same meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buybacks; and
“%”	per cent.



力勁科技集團有限公司  
**L.K. TECHNOLOGY HOLDINGS LIMITED**

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

**(Stock Code: 558)**

*Executive Directors:*

Ms. Chong Siw Yin (*Chairperson*)  
Mr. Liu Zhuo Ming  
Mr. Tse Siu Sze  
Mr. Wang Xinliang

*Non-executive Director:*

Ms. Han Jie

*Independent Non-executive Directors:*

Dr. Low Seow Chay  
Dr. Lui Ming Wah, *SBS, JP*  
Mr. Tsang Yiu Keung, Paul

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business in*

*Hong Kong:*

Unit A, 8th Floor  
Mai Wah Industrial Building  
1-7 Wah Sing Street  
Kwai Chung  
New Territories  
Hong Kong

27 July 2016

*To the Shareholders*

Dear Sir or Madam,

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

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with, information in respect of the resolutions to be proposed at the Annual General Meeting, among others, for (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the re-election of retiring Directors; and (iv) proposed adoption of the New Share Option Scheme and proposed termination of the existing share option scheme.

---

## LETTER FROM THE BOARD

---

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

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of general mandates to the Directors:

- (a) to allot, issue and deal with the Shares of up to 20% of the number of issued Shares of the Company as at the date of passing of such resolution (the “**Issue Mandate**”);
- (b) to purchase the Shares on the Stock Exchange of up to 10% of the number of issued Shares of the Company as at the date of passing of such resolution (the “**Repurchase Mandate**”); and
- (c) to extend the Issue Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issue Mandate and Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions No. 4A and 4B set out in the notice of Annual General Meeting.

As at the Latest Practicable Date, the number of issued Shares of the Company comprised 1,133,265,000 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Issue Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Issue Mandate to issue a maximum of 226,653,000 Shares (representing 20% of the Shares in issue as at the date of granting of the Issue Mandate).

An explanatory statement, as required by the Listing Rules to be given to Shareholders in connection with the Repurchase Mandate, is set out in Appendix I to this circular.

### 3. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 87 of the articles of association of the Company, Ms. Chong Siw Yin, Mr. Tse Siu Sze and Mr. Tsang Yiu Keung, Paul shall retire from office by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

Biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

---

## LETTER FROM THE BOARD

---

#### **4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

The Directors propose to adopt the New Share Option Scheme which will be put to the Shareholders for approval at the Annual General Meeting to be held on 8 September 2016. The Directors believe that attracting and motivating high quality personnel is key to the success and growth of the Company.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the adoption of the New Share Option Scheme is subject to the approval by the Shareholders at the Annual General Meeting.

Implementation of the New Share Option Scheme is subject to its adoption at the Annual General Meeting and the approval by the Stock Exchange of the listing of and permission to deal in the Shares, representing 10% of the Shares in issue of the Company as at the date of the Annual General Meeting to be issued pursuant to the exercise of Options to be granted under the New Share Option Scheme. Application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Shares, representing 10% of the Shares in issue of the Company as at the date of the Annual General Meeting to be issued pursuant to the exercise of Options to be granted under the New Share Option Scheme.

The only existing share option scheme of the Company was adopted on 23 September 2006 and will expire on 22 September 2016. The Company considers it preferable to have one share option scheme in operation at a time. As provided for in paragraph 23 of the provisions of the existing share option scheme, it is proposed that the existing share option scheme of the Company be terminated by ordinary resolution of the Company in general meeting. For the convenience of Shareholders, the Company has determined to hold the Annual General Meeting to adopt the New Share Option Scheme and terminate the existing share option scheme on the same day. There are no other requirements under the provisions of the existing share option scheme to be satisfied for its termination. Upon termination of the existing share option scheme, no further options shall be offered under that scheme but its provisions shall remain in force and effect in other respects. All options granted prior to such termination and not then exercised shall continue to be valid and exercisable.

The existing scheme limit under the existing share option scheme is 100,000,000 Shares, representing 10% of the Shares in issue as the Listing Date, which represented approximately 8.82% of the Shares in issue as at the Latest Practicable Date. As at the Latest Practicable Date, no options were outstanding under the existing share option scheme. The Directors confirm that no further options will be granted under the existing share option scheme prior to the date of the Annual General Meeting. Unless the New Share Option Scheme is adopted, no options might be granted before 22 September 2016 under the existing share option scheme.

The Directors consider that the Company should adopt the New Share Option Scheme so that the Company could have more flexibility to provide incentives to the Eligible Persons by way of granting share options to them. If the adoption of the New Share Option Scheme is approved at the Annual General Meeting, based on the 1,133,265,000 Shares in issue as at the Latest Practicable Date and assuming that the number of Shares in issue of the Company remains



---

## LETTER FROM THE BOARD

---

unchanged on the date of the Annual General Meeting, the Company will be allowed under the New Share Option Scheme to grant options to subscribe for up to a total of 113,326,500 Shares, representing 10% of the Shares in issue of the Company at the date of the Annual General Meeting.

The purpose of the New Share Option Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The rules of the New Share Option Scheme do not specify any minimum holding period and/or performance targets before an Option is exercisable as a condition of any Option. The rules of the New Share Option Scheme do provide that the Board is empowered with the authority to determine the terms on which an Option is granted which may include minimum holding periods and/or performance targets, in each case based on such factors as the Board in its sole discretion may consider appropriate, subject to the provisions of the New Share Option Scheme and the requirements of the Listing Rules. The Board believes that the authority given to it under the New Share Option Scheme to specify any minimum holding period and/or performance targets as conditions to any Option granted, as well as the requirement for a minimum subscription price together with the authority to select the appropriate Eligible Persons pursuant to the rules of the New Share Option Scheme will serve to protect the value of the Company as well as to achieve the purposes of the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the Option value which have not been determined. Such variables include the exercise price, exercise period, any minimum holding period, any performance targets set and other relevant variables.

A summary of the principal terms of the New Share Option Scheme is set out in the appendix to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same. The full terms of the New Share Option Scheme can be inspected at the principal place of business of the Company in Hong Kong at Unit A, 8th Floor, Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees of the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the adoption of the Share Option Scheme and the termination of the existing share option scheme, no shareholder is required to abstain from voting on the proposed resolution approving the New Share Option Scheme and the termination of the existing scheme at the Annual General Meeting.

---

## LETTER FROM THE BOARD

---

### 5. 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 herein 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.

### 6. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 26 to 30 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors and the adoption of the New Share Option Scheme and the termination of the existing share option scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting or any adjourned meeting thereof and voting in person if you so wish and in such event, the form of proxy will be deemed to be revoked.

All the resolutions set out in the notice of the Annual General Meeting will be decided by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by show of hands, as in accordance with the Listing Rules. The chairman of the Annual General Meeting will explain the detailed procedures for conducting a poll at the Annual General Meeting.

### 7. RECOMMENDATION

The Directors consider that the granting and the extension of the Issue Mandate, the granting of the Repurchase Mandate, the re-election of retiring Directors and the proposals for the adoption of the New Share Option Scheme and the termination of the existing share option scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

---

## LETTER FROM THE BOARD

---

### 8. GENERAL INFORMATION

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

Yours faithfully  
On behalf of the Board  
**L.K. Technology Holdings Limited**  
**Chong Siw Yin**  
*Chairperson*

*The following is an explanatory statement required under the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the number of issued Shares of the Company comprised 1,133,265,000 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 113,326,500 Shares (representing 10% of the Shares in issue as at the date of granting of the Repurchase Mandate).

## **2. REASON FOR REPURCHASE OF SHARES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchase 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 and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purchase in accordance with the memorandum and articles of association of the Company, the Listing Rules and the applicable laws of the Cayman Islands. Repurchases pursuant to the Repurchase Mandate will be made out of the profits of the Company or the proceeds of a fresh issue of Shares made for such purpose or, subject to the articles of association of the Company and the laws of the Cayman Islands, out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided from out of the profits of the Company or out of sums standing to the credit of the share premium account of the Company or, subject to the articles of association of the Company and the laws of the Cayman Islands, out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

There might be an 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 31 March 2016 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**4. SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the last twelve months:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2015</b>		
July	1.01	0.48
August	0.75	0.48
September	0.62	0.48
October	0.70	0.54
November	0.58	0.465
December	0.51	0.45
<b>2016</b>		
January	0.48	0.36
February	0.475	0.38
March	0.45	0.41
April	0.62	0.415
May	0.55	0.39
June	0.46	0.395
July (up to the Latest Practicable Date)	0.44	0.39

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the Shareholders.

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

**6. IMPLICATONS UNDER THE TAKEOVERS CODE**

If on the exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, 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. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

As at the Latest Practicable Date, Girgio, being the controlling shareholder of the Company, held 645,980,000 Shares representing approximately 57.00% of the number of issued Shares of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, assuming that the present shareholdings and capital structure of the Company remain the same, the interests of Girgio in the issued Shares would be increased to approximately 63.34% of the total number of issued Shares of the Company. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising power under the Repurchase Mandate.

The Directors have no present intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer or which will result in the amount of Shares held by the public being reduced to less than 25% of the total issued shares of the Company.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company during the six months immediately prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

The biographical details of the Directors to be re-elected at the Annual General Meeting are set out below:

#### DETAILS OF RETIRING DIRECTORS

**Ms. Chong Siw Yin**, aged 60, is the chairperson of the Board and an Executive Director of the Company. Ms. Chong joined the Group in March 1988, and was appointed as an executive Director in August 2004. She is also a director of certain subsidiaries of the Company. Ms. Chong is responsible for the strategic planning, administration and human resources management of the Group and has over 28 years of management experience. Ms. Chong is the spouse of Mr. Liu Siong Song, a substantial shareholder of the Company. Ms. Chong is also the mother of Mr. Liu Zhuo Ming, an Executive Director of the Company.

As at the Latest Practical Date, Ms. Chong as owner of Fullwit Profits Limited, is deemed to be interested in the 645,980,000 shares in the Company held by Girgio, representing approximately 57% of the issued share capital of the Company. Also, Ms Chong had a personal interest of 2,550,000 shares in the Company (representing approximately 0.23% of the issued share capital of the Company) and a deemed interest in 5,202,500 shares beneficially owned by her spouse (representing approximately 0.46% of the issued share capital of the Company).

Ms. Chong has entered into a service contract with the Company for a term of three years commencing on 16 October 2015. Ms Chong is entitled to a monthly salary of HK\$300,000 on a 13-month basis and a discretionary bonus which will be determined with reference to individual performance and profit level of the Group for the year.

**Mr. Tse Siu Sze**, aged 48, is an Executive Director of the Company. Mr. Tse joined the Group in July 1990 and has served a number of positions in the Group. Mr. Tse was appointed as an Executive Director in December 2013. He is currently the general manager and a director of Zhongshan L.K. Machinery Co. Ltd. Mr. Tse has over 26 years of experience in production management, sales and marketing.

As at the Latest Practicable Date, Mr. Tse had personal interest of 1,235,000 shares in the Company, representing approximately 0.11% of the issued share capital of the Company.

Mr. Tse has entered into a service contract with the Company for a term of three years commencing on 1 December 2013. Mr. Tse receives total emoluments HK\$1,500,000 per annum and a discretionary bonus which will be determined with reference to individual performance and profit level of the Group for the year.

**Mr. Tsang Yiu Keung, Paul**, aged 62, was appointed as an Independent Non-executive Director of the Company in September 2004. Mr. Tsang holds a higher diploma in Accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). He is a professional accountant and a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Institute of Chartered Secretaries and Administrators. Mr. Tsang was with KPMG for more than 27 years, where he was a senior banking partner until he retired from the firm on 31 March 2003. Mr. Tsang is currently an independent non-executive director of Guotai Junan International Holdings Limited, a listed company on the Stock Exchange in Hong Kong, and China CITIC Bank International Limited, a licensed bank in Hong Kong and CITIC International Financial Holdings Limited.

Mr. Tsang has entered into a service contract with the Company for a term of three years commencing on 4 September 2013. Mr. Tsang is entitled to a director's fee of HK\$220,000 per annum and an additional fee of HK\$90,000 per annum for acting as chairman of the Audit Committee which is determined with reference to his duties and responsibilities.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, (i) none of the above three Directors has any interest (within the meaning of Part XV of the SFO) in the securities of the Company; (ii) none of the three retiring Directors holds, or in the past three years held, any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas and other major appointments and professional qualifications; and (iii) none of the them has any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company.

In relation to the proposed re-election of the above three retiring Directors, there is no information which is discloseable nor is/was any of the three retiring Directors involved in any of the matters required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.



The following is a summary of principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the Annual General Meeting. The terms of the New Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

**1. PURPOSE**

The purpose of the New Share Option Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

**2. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) subject to (b) below, the passing of resolution of the Shareholders for the adoption of the New Share Option Scheme; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme, not exceeding 10% of the Shares in issue as at the Adoption Date.

If the above conditions are not satisfied within two calendar months after the Adoption Date:

- (a) the New Share Option Scheme shall forthwith determine;
- (b) any Option granted or agreed to be granted pursuant to the New Share Option Scheme and any offer of such a grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any Option.

**3. WHO MAY JOIN**

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

- (a) any full-time or part-time employee of any member of the Group; and
- (b) a director or proposed director (including a non-executive director and an independent non-executive director) of any member of the Group.

#### 4. MAXIMUM NUMBER OF SHARES

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**”) provided that:

- (a) the Company may at any time as the Board may think fit seek approval from the Shareholders to refresh the Scheme Mandate Limit, save 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 schemes of the Company under the limit as refreshed shall not exceed 10% of the Shares in issue as of the date of approval by the Shareholders in general meeting of the limit. Options previously granted under the New Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other schemes of the Company or exercised options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to the Shareholders a circular containing the details and information required under the Listing Rules;
- (b) the Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders containing the details and information required under the Listing Rules; and
- (c) the limit on the 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 other schemes of the Group shall not exceed 30% of the Shares in issue 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.

#### 5. 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 the Options granted and to be granted to that person in any 12-month period exceeds 1% of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders disclosing the identity of the Eligible Person,

the number and terms of the Options to be granted (and Options previously granted to such Eligible Person), and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant shall be taken as the offer date for the purpose of calculating the subscription price of those Options.

#### **6. OFFER AND GRANT OF OPTIONS**

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time within ten years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to 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).

#### **7. GRANTING OPTIONS TO CONNECTED PERSONS**

Subject to the terms in the New Share Option Scheme, but 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 of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who is the grantee of the Options).

Where any grant of Options to a substantial shareholder 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:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (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 the Shareholders (voting by way of a poll). The Company shall send a circular to the Shareholders containing the information in accordance with the Listing Rules. The grantees, his associates and all core connected persons of the Company must abstain from voting in favour of the resolution(s) relating to the grant of such Options at such general meeting, except that such person(s) may vote against the relevant resolution at the general meeting provided that his/their intention to do so has been stated in the circular. The circular shall contain details of the number and terms (including the subscription price) of the Options to be granted (and options previously granted to such Eligible Persons) and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Persons must be fixed before the meeting of the Shareholders and the date of the Board meeting approving such further grant shall be taken as the date of grant for the

purpose of determining the subscription price of those Options. The circular shall also contain a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting.

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

#### **8. OFFER PERIOD AND NUMBER ACCEPTED**

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 14 days from the Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the New Share Option Scheme. 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\$10.00 by way of consideration for the grant thereof is received by the Company on or before the date on which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 14 days after the Offer Date (the “**Acceptance Date**”). Such remittance shall in no circumstances be refundable.

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. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

#### **9. RESTRICTION ON THE TIME OF GRANT OF OPTIONS**

The Board shall not grant any Option under the New Share Option Scheme after inside information has come to its knowledge until such 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 or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

#### **10. MINIMUM HOLDING PERIOD, VESTING AND PERFORMANCE TARGET**

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any 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 (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to

the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of all or any of the Shares to which such Option relates shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

**11. AMOUNT PAYABLE FOR OPTIONS**

The amount payable on acceptance of an Option is HK\$10.00.

**12. SUBSCRIPTION PRICE**

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall be at least the higher of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date.

**13. EXERCISE OF OPTION**

- (i) 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 New Share Option 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. Within 30 days after receipt of the notice and, where appropriate, receipt of a certificate from our auditors pursuant to the New Share Option Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.

- (ii) The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter.
- (iii) The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorized share capital of the Company.
- (iv) Subject as hereinafter provided and subject to the terms and conditions upon which the option was granted, an Option may be exercised by the grantee at any time during the period commencing immediately after the business day on which the Option is deemed to be granted and accepted in accordance with the New Share Option Scheme and expiring on a date to be determined and notified by our Directors to each grantee provided that such period shall not exceed the period of ten years from the date of the grant of a particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme (the “**Option Period**”), provided that:
  - (a) in the event that the grantee of an Option ceases to be an Eligible Person by reason of his ill-health, injury, disability or death or by reason of retirement in accordance with his contract of employment or upon expiration of his term of directorship before exercising the options in full and none of the events which would be ground for termination of his employment under paragraph (b) below occurs, the grantee or his legal personal representative(s) (as the case may be) may exercise the Option in full (to the extent not already exercised) or to the extent specified in the notice to exercise such Option within a period of 12 months after he so ceases or the expiration of the relevant Option Period of the relevant Options, whichever is the earlier, provided that any Option not so exercised shall lapse at the end of such period and shall not be exercisable;
  - (b) in the event that the grantee of an Option ceases to be an Eligible Person for any reason other than his ill-health, injury, disability, retirement or death or the employment of the grantee ceases on one or more of the grounds of serious misconduct, bankruptcy, insolvency, arrangement or composition with his creditors generally or conviction of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment under the grantee’s employment/service contract with the Group, at common law or pursuant to any applicable laws, his Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the date of cessation of his employment;
  - (c) in the event that the grantee of an Option ceases to be an Eligible Person by reason of voluntary resignation or by reason of his employing company ceasing to be a member of the Group and none of the events which would be ground for termination of his employment under paragraph (b) above occurs, the grantee may exercise the Option in full (to the extent not already exercised) or to the extent specified in the notice to exercise such Option on or before the last actual working day with the Group or the relevant Company in the Group,

whether salary is paid in lieu of notice or not or the expiration of the relevant Option Period, whichever is the earlier, provided that any Option not so exercised shall lapse after such last actual working day;

- (d) in the event of a general offer (other than by way of a scheme of arrangement referred to below) being made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the grantee (or his legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised or to the extent specified in the notice of exercise of such Option) at any time within 14 days after the date on which the offer becomes or is declared unconditional;
- (e) in the event an application is made to the court (otherwise than where the Company is being voluntarily wound up) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with a proposed compromise or arrangement between the Company or creditors (or any class of them) or between the Company and its members (or any class of them), the grantee may by notice in writing to the Company within 21 days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent specified in such notice. If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to all grantees on the same date as it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his legal personal representative(s)) may until the expiry of the period commencing from such date and ending on the earlier of (i) the date falling 2 calendar months thereafter or (ii) the date on which such compromise or arrangement is sanctioned by the court exercises any of his Options whether in full or in part, but the exercise of any option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme;
- (f) 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, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than seven 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 the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

#### **14. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association and the laws of the Cayman Islands 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 re-opening 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 therefore shall be before the allotment date.

Shares issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

#### **15. LIFE OF NEW SHARE OPTION SCHEME**

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which no further Option 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 Option granted prior to the expiry of the ten-year period or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

#### **16. LAPSE OF OPTIONS**

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

- (a) the expiry of the Option Period (subject to the provisions of the New Share Option Scheme);
- (b) the expiry of any of the period referred to in the paragraph 13 in this appendix;
- (c) subject to the period mentioned in paragraph 13 in this appendix, the date of the commencement of the winding-up of the Company;
- (d) the date on which the grantee commits a breach of paragraph 20 in this appendix;



- (e) there is an unsatisfied judgement, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his debts; or
- (f) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the New Share Option Scheme with respect to the exercise or lapse of the Option.

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.

#### **17. ADJUSTMENT**

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalization issue, rights issue, consolidation, reclassification, reconstruction, 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:

- (a) the maximum number of Shares subject to the New Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalization issue), the auditors appointed by the Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) it was before such event;
- (b) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal values;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

**18. CANCELLATION OF OPTIONS NOT EXERCISED**

The Board shall be entitled for the following causes to cancel any Option granted but not exercised in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the grantee commits or permits or attempts to commit or permit a breach of the provisions as set out in the paragraph titled “Summary of the Principal Terms of the New Share Option Scheme – 20. Transferability” in this appendix or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or its subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as of the Cancellation Date. No compensation shall be payable upon any such cancellation, 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.

**19. TERMINATION**

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme. Upon termination of the New Share Option Scheme as aforesaid, no further Option shall be offered but the provisions of the New Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme.

**20. TRANSFERABILITY**

Options granted under the New Share Option Scheme shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, assign, 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 (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

**21. ALTERATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting, provided always that the amended terms of the New Share Option Scheme shall comply with the applicable requirements of the Listing Rules: (i) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the New Share Option Scheme); and (ii) any alteration to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



力勁科技集團有限公司  
**L.K. TECHNOLOGY HOLDINGS LIMITED**

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

**(Stock Code: 558)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of L.K. Technology Holdings Limited (the “**Company**”) will be held at The Garden Rooms, 2/F, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 8 September 2016, at 10:00 a.m. for the purpose of transacting the following businesses:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited Financial Statements and the reports of the Directors and the Auditor for the year ended 31 March 2016.
- 2A. (i) To re-elect Ms. Chong Siw Yin as a Director.  
(ii) To re-elect Mr. Tse Siu Sze as a Director.  
(iii) To re-elect Mr. Tsang Yiu Keung, Paul as a Director.
- 2B. To authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. PricewaterhouseCoopers as Auditor of the Company and to authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:
  - A. “**THAT:**
    - (a) subject to paragraph (c) below, the exercise by the 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 in the capital of the Company (“**Shares**”) and to make or grant offers, agreements, options and rights of exchange or conversion, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of the issued Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) exercise of any Pre- IPO Share Options or options under any share option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; (iii) the exercise of the subscription rights or conversion rights under the terms of any warrants issued by the Company or any securities which are convertible into Shares; and (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the total number of issued Shares of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

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

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares 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 (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 applicable to the Company).”

---

## NOTICE OF ANNUAL GENERAL MEETING

---

**B. “THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of the shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

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

- C. “THAT** conditional on the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the resolution set out in paragraph 4A of the notice convening this meeting be and is hereby extended by the addition to the total number of issued shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the number of issued shares of the Company as at the date of passing this resolution.”

---

## NOTICE OF ANNUAL GENERAL MEETING

---

D. “THAT:

- (a) conditional upon the Stock Exchange granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular despatched to the shareholders on the same day as this notice, the principal terms of which are set out in the printed document marked “A” now produced to the annual general meeting of the Company and for the purpose of identification signed by the chairman hereof (the “**New Share Option Scheme**”), the New Share Option Scheme be approved and adopted to be the share option scheme for the Company and that the directors of the Company be authorised to grant options thereunder and to allot and issue shares pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement such New Share Option Scheme; and
- (b) upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 23 September 2006 be terminated with effect from the date on which such resolution became unconditional.”

By Order of the Board  
**L.K. Technology Holdings Limited**  
**Wong Kin Ming**  
*Company Secretary*

Hong Kong, 27 July 2016

*Principal Place of Business in Hong Kong:*

Unit A, 8th Floor  
Mai Wah Industrial Building  
1-7 Wah Sing Street  
Kwai Chung  
New Territories  
Hong Kong

---

## NOTICE OF ANNUAL GENERAL MEETING

---

*Notes:*

1. Where there are joint registered holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders is present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such Share, be entitled alone to vote in respect thereof.
2. A form of proxy for use at the Annual General Meeting is enclosed with the circular to the members of the Company.
3. A member entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy. A proxy need not be a member of the Company. In order to be valid, forms of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or adjourned meeting thereof.
4. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Annual General Meeting. If such member attends the Annual General Meeting, however, his form of proxy will be deemed to have been revoked.
5. The register of members of the Company will be closed from Tuesday, 6 September 2016 to Thursday, 8 September 2016 (both dates inclusive) during which period no transfer of Shares will be registered, for the purpose of determining the identity of the shareholders entitled to attend and vote at the Annual General Meeting. In order to qualify for attendance at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 5 September 2016.
6. In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Chairperson of the Board has indicated that she would direct that each of the resolutions set out in the notice of the Annual General Meeting be voted on by poll.
7. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandates to issue Shares and to repurchase Shares of the Company, and the adoption of the new share option scheme and the termination of the existing share option scheme will be sent to the members of the Company together with the Company's 2015/16 Annual Report.

*As at the date hereof, the executive directors of the Company are: Ms. Chong Siw Yin, Mr. Liu Zhuo Ming, Mr. Tse Siu Sze and Mr. Wang Xinliang; the non-executive director of the Company is Ms. Han Jie and the independent non-executive directors of the Company are: Dr. Low Seow Chay, Dr. Lui Ming Wah, SBS, JP, and Mr. Tsang Yiu Keung, Paul.*