
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 to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kingbo Strike Limited (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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.

KINGBO STRIKE LIMITED

工 蓋 有 限 公 司 *

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1421)

PROPOSALS FOR

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (2) RE-ELECTION OF RETIRING DIRECTORS;**
- (3) ADOPTION OF NEW SHARE OPTION SCHEME; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “**AGM**”) of the Company to be held at Seminar Room, Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Friday, 20 October 2017 at 9:30 a.m. is set out on pages 27 to 31 of this circular.

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not later than 9:30 a.m. on Wednesday, 18 October 2017 (Hong Kong time). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM if they so wish and in such event, the form of proxy shall be deemed to be revoked.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I — DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM	11
APPENDIX II — EXPLANATORY STATEMENT ON GENERAL MANDATE TO REPURCHASE SHARES	14
APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME	17
NOTICE OF AGM	27

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
“AGM”	the annual general meeting of the Company to be held at Seminar Room, Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Friday, 20 October 2017 at 9:30 a.m., or any adjournment thereof
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	Kingbo Strike Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Company on 13 February 2017
“Hong Kong”	the 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 allot, issue and deal with additional Shares up to a maximum of 20% of the number of issued Shares as at the date of passing of the relevant resolution at the AGM

DEFINITIONS

“Latest Practicable Date”	11 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be conditionally adopted by the Company at the AGM, a summary of its principal terms is set out in Appendix III to this circular
“Option(s)”	the share option(s) to subscribe for Shares on terms determined by the Directors pursuant to the Existing Share Option Scheme or the New Share Option Scheme (as the case may be)
“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of passing of the relevant resolution at the AGM
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

KINGBO STRIKE LIMITED

工 蓋 有 限 公 司 *

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1421)

Board of Directors

Executive Directors:

Mr. Liu Yancheng (*Chairman*)

Mr. Liu Xinsheng

Mr. Peng Rongwu

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Non-executive Director:

Mr. Tam Tak Wah

Principal Place of Business in Hong Kong:

Room 1011, 10th Floor

Independent Non-executive Directors:

Mr. Leung Po Hon

Mr. Li Jin

Dr. Luo Xiaodong

Wing On Centre

111 Connaught Road Central

Hong Kong

14 September 2017

To the Shareholders

Dear Sir/Madam,

PROPOSALS FOR

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;

(2) RE-ELECTION OF RETIRING DIRECTORS;

(3) ADOPTION OF NEW SHARE OPTION SCHEME; AND

(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this Circular is to provide the Shareholders with the notice of AGM and information in respect of certain resolutions to be proposed at the AGM to be held on Friday, 20 October 2017, relating to, among other things, (i) the granting of the Issue Mandate and the Repurchase Mandate to the Directors; (ii) the re-election of retiring Directors; and (iii) the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

* *For identification purpose only*

LETTER FROM THE BOARD

ISSUE MANDATE AND REPURCHASE MANDATE

Pursuant to an ordinary resolution passed at the Company's annual general meeting held on Monday, 13 February 2017, the Directors were granted a general unconditional mandate to exercise their powers to allot, issue and deal with not more than 152,000,000 Shares, being 20% of the number of issued Shares as at 13 February 2017. This general mandate will expire at the conclusion of the AGM. As at the Latest Practical Date, all the general mandate has been utilised and no Shares have been repurchased by the Company whether on the Stock Exchange or otherwise. In order to provide continuous flexibility to the Directors, resolutions will be proposed at the AGM to seek the approval of Shareholders to renew the Issue Mandate and the Repurchase Mandate.

(a) Issue Mandate

At the AGM, an ordinary resolution (ordinary resolution no. 4 as set out in the notice of AGM) will be proposed to grant a new general and unconditional mandate to the Directors to exercise their powers to allot, issue and deal with, at any time during the Relevant Period (as defined in ordinary resolution no. 4(d) in the notice of AGM), Shares of up to a maximum of 20% of the number of issued Shares on the date of passing of ordinary resolution no. 4.

As at the Latest Practicable Date, the total number of Shares in issue was 988,000,000 Shares. Subject to the passing of the proposed resolution for approving the Issue Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed to issue up to a limit of 197,600,000 Shares under the Issue Mandate.

The Directors have no immediate plan to issue any Shares other than the Shares which may fall to be issued under any scrip dividend scheme as may be approved by the Shareholders.

(b) Repurchase Mandate

At the AGM, an ordinary resolution (ordinary resolution no. 5 as set out in the notice of AGM) will be proposed to grant a new general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, at any time during the Relevant Period (as defined in ordinary resolution no. 5(c) in the notice of AGM), Shares of up to a maximum of 10% of the number of issued Shares on the date of passing of ordinary resolution no. 5. An explanatory statement setting out the information regarding the Repurchase Mandate as required under the Listing Rules is set out in Appendix II to this circular.

As at the Latest Practicable Date, the total number of Shares in issue was 988,000,000 Shares. Subject to the passing of the proposed resolution for approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company would be allowed to repurchase up to a limit of 98,800,000 Shares under the Repurchase Mandate.

LETTER FROM THE BOARD

(c) Extend the Issue Mandate

An ordinary resolution (ordinary resolution no. 6 as set out in the notice of AGM) will be proposed to extend the limit of the Issue Mandate by adding the aggregate number of Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 83(2), subject to the Articles and The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

Pursuant to Article 83(3), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 84(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Pursuant to Article 84(2), a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with Article 83(3), Mr. Liu Xinsheng and Mr. Li Jin shall retire at the AGM and they, being eligible, will offer themselves for re-election at the AGM. In accordance with Article 84(1), Mr. Peng Rongwu and Mr. Tam Tak Wah shall retire at the AGM and they, being eligible, will offer themselves for re-election at the AGM.

At the AGM, ordinary resolution will be proposed to re-elect each of Mr. Liu Xinsheng and Mr. Peng Rongwu as an executive Director, Mr. Tam Tak Wah as a non-executive Director and Mr. Li Jin as an independent non-executive Director.

Biographical details of each Director proposed for re-election at the AGM are set out in Appendix I to this Circular.

LETTER FROM THE BOARD

ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted on 13 February 2017. The Company has no other subsisting share option scheme other than the Existing Share Option Scheme as at the Latest Practicable Date. On 15 May 2017, the Board resolved to grant Options to subscribe for a total of 76,000,000 Shares under the Share Option Scheme, out of which 7,600,000 Options were granted to Mr. Liu Yancheng, who is an executive Director and the chairman of the Board and 7,600,000 Options were granted to Mr. Liu Xinsheng, who is an executive Director. All the Options granted under the Existing Share Option Scheme were exercised as at the Latest Practicable Date. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option scheme.

The definition of the “Eligible Participants” under the Existing Share Option Scheme include “full time or part time employees of the Company (including any directors, whether executive or non-executive and whether independent or not, of the Company); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Company”.

The definition of the “Eligible Participants” under the New Share Option Scheme include “full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group”.

The difference between the definition of the “Eligible Participants” under the New Share Option Scheme and the Existing Share Option Scheme is that the “Eligible Participants” under the New Share Option Scheme will be extended to the Group’s level whereas the “Eligible Participants” under the Existing Share Option Scheme only cover the Company’s level.

As the Company intends to extend the scope of the Eligible Participants to include full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group, the Company intends to propose to the Shareholders for adoption of the New Share Option Scheme at the AGM. At the AGM, an ordinary resolution will be proposed for the Company to terminate the Existing Share Option Scheme and approve the adoption of the New Share Option Scheme as the new share option scheme of the Company. However, other than the scope of the Eligible Participants, there is no significant difference between the terms of the Existing Share Option Scheme and the New Share Option Scheme and both schemes comply with the requirements under Chapter 17 of the Listing Rules. Upon adoption of the New Share Option Scheme, the Existing Share Option Scheme shall be terminated and replaced by the New Share Option Scheme and no further options shall be offered under the Existing Share Option Scheme.

LETTER FROM THE BOARD

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 AGM.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the Appendix III to this circular on pages 17 to 26. 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 Company's registered and principal office in Hong Kong at Room 1011, 10th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

Conditions precedent to the New Share Option Scheme

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

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms of the New Share Option Scheme.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing 10% of the issued Shares as at the date of the AGM, to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Valuation of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Options have not been determined. Such variables include but are not limited to the subscription price, the exercise period and lock-up period (if any), and the predetermined performance target (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

LETTER FROM THE BOARD

Operation of the New Share Option Scheme

The Company considers that in order to recognise the significant contributions of the participants to the growth of the Group and/or to motivate and encourage the participants to continue and improve their performance and efficiency, it is important for the Group to provide them with opportunities to obtain a shareholding interest in the Company and to reward them for contributing to the Group's long-term success and prosperity.

The Board will assess the eligibility of the participants based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the profits of the Group during the financial year or in the future.

The New Share Option Scheme does not specify a minimum period for which a Option must be held nor a performance target which must be achieved before a Option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of a Option. The New Share Option Scheme also sets out the basis of determining the subscription price of a Option. Subject to the Listing Rules, the Board has the discretion in determining the subscription price in respect of any Option.

The Directors, therefore, consider that the aforesaid criteria and rules will enable the Directors to properly operate and regulate the New Share Option Scheme and, thus, help serve the purpose of the New Share Option Scheme and to preserve the value of the Company.

Maximum number of Shares available for subscription

Subject to the adoption of the New Share Option Scheme by the Shareholders, the total number of Shares which may be issued upon the exercise of all the Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the total issued Shares as at the date of adoption of the New Share Option Scheme.

Based on 988,000,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued Shares before the AGM, the maximum number of Shares to be issued upon the exercise of the Options that may be granted under the New Share Option Scheme is 98,800,000 Shares, representing 10% of the total issued Shares of the Company.

Reasons for the adoption of the New Share Option Scheme

The Board is of the opinion that for the sake of continuity and administrative convenience and for the purpose of extending the scope of the Eligible Participants, it is appropriate for the Company to adopt the New Share Option Scheme (which will last for 10 years) at the AGM.

The Board considers that in order to enable the Group to motivate the participants of the New Share Option Scheme to utilise their performance and efficiency for the benefit of the

LETTER FROM THE BOARD

Group and to attract and retain or otherwise maintain an ongoing relationship with the participants whose contributions are or will be beneficial to the long term growth of the Group, it is important that the Group should be permitted to provide them, where appropriate, with an incentive by offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the success of the business of the Group.

In view of the above, the Board considers that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. The Board, therefore, proposes to recommend to the Shareholders at the AGM to approve the adoption of the New Share Option Scheme.

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.

None of the Directors has a material interest in the adoption of the New Share Option Scheme and is not required to abstain from voting on the resolution approving the adoption of the New Share Option Scheme at the Board meeting nor at the AGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the adoption of the New Share Option Scheme as at the Latest Practicable Date. As such, no Shareholder is required to abstain from voting on the resolution approving the adoption of the New Share Option Scheme at the AGM.

As at the Latest Practicable Date, the Company and the Board have not identified any Eligible Participants for granting the option upon adoption of the New Share Option Scheme.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of AGM is set out on pages 27 to 31 of this Circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

For the purpose of ascertaining Shareholders who are entitled to attend and vote at the AGM or any adjournment thereof, the register of members of the Company will be closed from Tuesday, 17 October 2017 to Friday, 20 October 2017 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, 16 October 2017.

A form of proxy for use at the AGM is enclosed with this Circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.kingbostrike.com>). Whether or not

LETTER FROM THE BOARD

the Shareholders are able to attend the AGM, they are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, at the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 9:30 a.m. on Wednesday, 18 October 2017 (Hong Kong time). Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

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.

RECOMMENDATION

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

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM. Your attention is drawn to the information set out in the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of
Kingbo Strike Limited
Liu Yancheng
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM.

EXECUTIVE DIRECTORS

- (1) **Mr. Liu Xinsheng (“Mr. Liu”)**, aged 48, was appointed as an executive Director on 2 May 2017. Mr. Liu graduated from Nanjing Audit College (南京審計學院) specialising in accounting in 1991. He is a registered international internal auditor, a registered tax agent of the PRC and an accounting professional. He has over 25 years’ experience in the field of accounting and auditing. Mr. Liu is currently the executive director of Tech Pro Technology Development Limited (stock code: 3823), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Liu has entered into a service contract with the Company for a term of three years and he is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules. Mr. Liu is entitled to receive a director’s fee of HK\$960,000 per annum, which is based on the recommendation of the remuneration committee of the Board with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

Save as disclosed above, Mr. Liu did not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Liu does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

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

- (2) **Mr. Peng Rongwu (“Mr. Peng”)**, aged 54, acted as the chairman of the Board from 26 June 2015 to 28 February 2017. He was appointed as a non-executive Director on 17 November 2014 and re-designated as an executive Director on 1 April 2015. Mr. Peng is also a director of certain subsidiaries of the Company and has accumulated over 20 years of marketing and management experience in international trading business of electronic products. He is currently a shareholder and director of Hong Kong Chung Hang Limited.

The Company has entered into a letter of appointment with Mr. Peng in relation to his re-designation as an executive Director on 1 April 2015. Mr. Peng has been appointed for a term of one year commencing on 1 April 2015, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Peng is entitled to a remuneration of HK\$960,000 per annum, which has been approved by the Board having considered his responsibilities and duties, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed above, Mr. Peng did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Peng does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

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

NON-EXECUTIVE DIRECTOR

- (3) **Mr. Tam Tak Wah (“Mr. Tam”)**, aged 52, has been the non-executive Director since 17 November 2014. Mr. Tam is a fellow member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tam is appointed to be a member of Disciplinary Panel of the HKICPA for the period from February 2014 to January 2018. He has over 25 years of experience in accounting, corporate finance and corporate development. He is currently an executive director of International Standard Resources Holdings Limited (stock code: 91) and an independent non-executive director of Future World Financial Holdings Limited (stock code: 572), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Tam served as an executive director of CMBC Capital Holdings Limited (stock code: 1141) and independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823), the shares of which are listed on the Main Board of the Stock Exchange, and resigned in November 2016 and March 2017 respectively.

The Company has entered into a letter of appointment with Mr. Tam in relation to his appointment as a non-executive Director on 18 September 2015. Mr. Tam has been appointed for a term of two years commencing on 17 November 2014, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Tam is entitled to a remuneration of HK\$360,000 per annum, which has been approved by the Board having considered his responsibilities and duties, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed above, Mr. Tam did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Tam does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

- (4) **Mr. Li Jin (“Mr. Li”)**, aged 50, was appointed as an independent non-executive Director on 30 June 2017. He obtained a bachelor’s degree in biology from Peking University in the PRC in 1989. He also obtained a master degree in biochemistry from the University of Michigan in 1991, and a juris doctor degree from the School of Law, Columbia University in 1994 in the United States. He has over 20 years of experience in the areas of commercial law, corporate finance and joint ventures as an attorney in New York and was a partner at Linklaters (Hong Kong) and Horizon Law firm (Shenzhen). He has been appointed as the Chief Financial Officer of Sungy Mobile Limited, a company listed on the NASDAQ Global Select Market in the United States (stock code: GOMO), from July 2013 to August 2014. He had also been appointed as an independent non-executive director of ZTE Corporation (stock code: 763), the shares of which are listed on the Stock Exchange, from June 2004 to June 2010.

The Company has entered into a letter of appointment with Mr. Li in relation to his appointment as an independent non-executive Director on 4 August 2017. Mr. Li has been appointed for a term of two years commencing on 30 June 2017, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Li is entitled to a remuneration of HK\$276,000 per annum, which has been approved by the Board having considered his responsibilities and duties, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, Mr. Li did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Li does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

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

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 988,000,000 Shares of nominal value of HK\$0.01 each.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of AGM in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the AGM, i.e. being 988,000,000 Shares, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 98,800,000 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its memorandum and articles of association of the Company and the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 30 June 2017) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the 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.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months (and from September 2016 up to and including the Latest Practicable Date) were as follows:

Month	Highest HK\$	Lowest HK\$
2016		
September	0.600	0.430
October (<i>Note</i>)	N/A	N/A
November (<i>Note</i>)	N/A	N/A
December	0.485	0.320
2017		
January	0.425	0.340
February	0.390	0.345
March	0.375	0.280
April	0.335	0.285
May	0.325	0.285
June	0.380	0.275
July	0.315	0.275
August	0.295	0.210
September (up to the Latest Practicable Date)	0.242	0.223

Note: Trading in the Shares had been suspended on 30 September 2016 and was resumed on 21 December 2016.

6. GENERAL

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

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

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

7. TAKEOVERS CODE

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

To the best knowledge of the Company, as at the Latest Practicable Date, the Company has no substantial shareholder as defined in the Listing Rules.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

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

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

(a) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Eligible Participants for their contributions to, and continuing efforts to promote the interests of, the Company.

(b) Administration of the New Share Option Scheme

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

(c) Grant and acceptance of Options

Subject to the terms of the New Share Option Scheme, the Board may, in its absolute discretion, invite any Eligible Participant to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (d) below.

An offer of the grant of an Option shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of twenty-one (21) days inclusive of, from the date upon which it is made provided that no such offer shall be open for acceptance after the earlier of the 10th anniversary of the Adoption Date or the termination of the New Share Option Scheme or the Eligible Participant to whom such offer is made has ceased to be an Eligible Participant.

A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an Option. An Option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Eligible Participant together with the said consideration of HK\$1.00 is received by the Company.

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 such number of Shares as represents a board lot for the time being for the purpose of trading on the Stock Exchange or an integral multiple thereof.

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

(d) Exercise of Options and subscription price of Shares

An Option may be exercised in whole or in part by the grantee giving notice in writing to the Company stating that the Option is thereby exercised and 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 subscription price for the Shares in respect of which the notice is given. Within thirty (30) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall allot and issue the relevant Shares to the grantee (or his legal personal representative(s)) credited as fully paid.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided herein or under the relevant laws or the memorandum of association of the Company and the Articles in effect from time to time. Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised 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 (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of the Company as the holder thereof.

The subscription price for Shares under the New Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date.

(e) Maximum number of Shares available for issue

- (i) Subject to the Listing Rules, the overall 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 share option schemes of the Company must not exceed 30 per cent. of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.

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

- (ii) Subject to the limit mentioned in (e)(i) above, 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, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (iii) and (iv) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (iii) Subject to the limit mentioned in (e)(i) above, the Company may refresh the Scheme Mandate Limit at any time subject to approval of the Shareholders in general meeting, provided that the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Options) will not be counted for the purpose of calculating the this limit. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules.
- (iv) Subject to the limit mentioned in (e)(i) above, the Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules.

(f) Grant of Options to core connected persons or any of their close associates

Any grant of Options to a core connected person (including but not limited to a Director or substantial Shareholder) or its close associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). Where Options are proposed to be granted to a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or their respective associates and if such grant would result in the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued Shares and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, then the proposed grant must be subject to the

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

approval of Shareholders taken on a poll in a general meeting. All core connected persons of the Company must abstain from voting at such general meeting.

A circular must be prepared by the Company explaining the proposed grant, disclosing, among other matters, (i) the number and terms of the Options to be granted, (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) on whether or not to vote in favour of the proposed grant, (iii) the information relating to any Directors who are trustees of the scheme or have a direct or indirect interest in the trustees and the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules; and (iv) the information required under rule 2.17 of the Listing Rules.

Any change in the terms of Options granted to a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or their respective associates must be approved by Shareholders in a general meeting.

(g) Maximum entitlement of each Participant

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant or grantee (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue. Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve (12)-month period up to and including the relevant date of grant to exceed such limit, such offer and any acceptance thereof must be conditional upon Shareholders' approval in general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its close associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant, the information required under the Listing Rules. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before the date on which Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(h) Time of exercise of Options

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme (the "**Option Period**").

There is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme.

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

(i) Restrictions on the time of grant of Options

Grant of Options may not be made:

- (1) after inside information (as defined in the Listing Rules) has come to the knowledge of the Company until it has been announced pursuant to the requirements of the Listing Rules; and
- (2) during the period commencing from one month immediately preceding the earlier of:
 - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to publish 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 announcements.

(j) Rights are personal to grantees

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any Option or part thereof granted to such grantee to the extent not already exercised.

(k) Rights on cessation of employment by dismissal

If the grantee of an Option is an employee and ceases to be an employee on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Company into disrepute) or any other ground(s) on which the Company would be entitled to terminate his or her employment pursuant to any applicable law, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment.

(l) Rights on death

If the grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full and none of the events referred to in paragraph (k)

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

above as ground for termination of his or her Options arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of six months following the date of death (or such longer period as the Board may determine), failing which it will lapse. If any of the events referred to in paragraph (p) to (r) below occurs during such period, his or her personal representative(s) may exercise the Option pursuant to paragraphs (p) to (r) respectively.

(m) Rights on cessation of employment by reason of ill-health or retirement

If the grantee of an Option is an employee and ceases to be an employee by reason of ill-health or retirement in accordance with his or her contract of employment, he or she may exercise the Option (to the extent not already exercised) within a period of six months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Company whether salary is paid in lieu of notice or not. If any of the events referred to in paragraph (p) to (r) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (p) to (r) respectively.

(n) Rights on cessation for other reasons

If the grantee of an Option ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs (l) and (m) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation.

(o) Rights on breach of contract

If the grantee of an Option who is a business or joint venture partner, contractor, agent or representative, consultant, adviser, supplier, producer or licensor, customer, licensee (including any sub-licensee) or distributor, landlord or tenant (including sub-tenant) of the Company ceasing to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Company, in the absolute determination of the Board, the Option shall lapse on the date of the Board's determination and not be exercisable.

(p) Rights on a general offer

In the event of a general offer being made to all Shareholders (or all such holders other than the offeror and/or 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 personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within thereafter and up to the close of such offer.

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

(q) Rights on winding up

In the event a notice is given by the Company to its members to convene an extraordinary general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each member of the Company give notice thereof to all grantees and any grantee (or his or her personal representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than five (5) Business Days prior to the proposed general meeting)) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid.

(r) Rights on reconstruction, compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company to summon a meeting to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice shall be received by the Company no later than five (5) Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting allot and issue such number of Shares to the grantee credited as fully paid.

(s) Cancellation of Options

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Any cancellation of Options granted but not exercised and the issuance of new Options to the same grantee may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit referred to in paragraph (e)(i) above. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

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

(t) Effect of alterations to share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserved, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number of Shares subject to any Option so far as such Option remains unexercised and/or (ii) the subscription price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he or she was entitled before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

(u) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(v) Duration of the New Share Option Scheme

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, which is expected to be the date of the Annual General Meeting, and expiring at the close of business on the tenth (10th) anniversary thereof, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

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

(w) Alterations to the terms of the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by a resolution of the Board, save and except that:

- (i) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (ii) any alterations to the terms and conditions 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 Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (iii) the amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (iv) any change to the authority of the Directors or the administrator of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in a general meeting.

(x) Conditions of the New Share Option Scheme

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the Scheme; and
- (b) the passing of an ordinary resolution at an extraordinary general meeting of the Company to adopt the New Share Option Scheme.

(y) Lapse of Options

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

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (k) to (r);

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

(iii) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph (j) by the grantee of the Option in respect of that or any other Option; and

(iv) the date of the commencement of the winding-up of the Company.

(z) Termination

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(aa) Miscellaneous

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (t) above shall be referred to the decision of the auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final and conclusive.

NOTICE OF AGM

KINGBO STRIKE LIMITED

工 蓋 有 限 公 司 *

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1421)

NOTICE IS HEREBY GIVEN that the annual general meeting of Kingbo Strike Limited (the “**Company**”) will be held at Seminar Room, Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Friday, 20 October 2017 at 9:30 a.m. for the following purposes:

1. To receive, consider and approve the audited financial statements and report of the directors (the “**Directors**”) and the independent auditors’ report of the Company for the year ended 30 June 2017.
2. (a) To re-elect the following retiring Directors:
 - (i) Mr. Liu Xinsheng as an executive Director;
 - (ii) Mr. Peng Rongwu as an executive Director;
 - (iii) Mr. Tam Tak Wah as a non-executive Director; and
 - (iv) Mr. Li Jin as an independent non-executive Director.
- (b) To authorise the board of Directors to fix the remuneration of the respective Directors.
3. To re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

“**THAT:**

- (a) subject to sub-paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal in shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF AGM

- (b) the approval in sub-paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which might require the Shares in the capital of the Company to be issued either during or after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in subparagraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined in this resolution); or (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Shares; or (iii) the exercise of options granted by the Company under any option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Shares; or (iv) any script dividend scheme 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 articles of association of the Company (the “**Articles of Association**”); or (v) a specific authority granted by the shareholders of the Company (the “**Shareholders**”) in general meeting, shall not exceed 20% of the number of issued Shares as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association and any applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in

NOTICE OF AGM

proportion to their then holdings of such Shares (or, where appropriate, such other securities) as at that date (subject in all cases 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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to repurchase Shares on 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 of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which the Company is authorised to repurchase pursuant to the approval in sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the number of issued Shares as at the date of passing of this resolution; and
- (c) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association and any applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to the Directors by this resolution.”

6. **“THAT** conditional upon the passing of ordinary resolutions no. 4 and no. 5 as set out in the notice convening this annual general meeting, the general mandate granted to the Directors to allot, issue and deal in any unissued Shares pursuant to ordinary resolution no. 4 be and is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of the number of Shares repurchased by the Company under the authority granted pursuant to

NOTICE OF AGM

ordinary resolution no. 5, provided that such extended amount shall not exceed 10% of the number of Shares as at the date of passing of this resolution.”

7. **“THAT:**

- (a) the existing share option scheme of the Company adopted on 13 February 2017 be and is hereby terminated and conditional upon the Stock Exchange granting the listing of and permission to deal in the Shares falling to be allotted and issued pursuant to the share option scheme (the **“New Share Option Scheme”**), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (b) the aggregate number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes of the Company as may from time to time adopted by the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing of this resolution.”

By Order of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

Hong Kong, 14 September 2017

Registered office:

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

Principal place of business in Hong Kong

Room 1011, 10th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

NOTICE OF AGM

2. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 9:30 a.m. on Wednesday, 18 October 2017 (Hong Kong time). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Tuesday, 17 October 2017 to Friday, 20 October 2017, both dates inclusive, during which period no transfer of shares will be registered.
5. As at the date of this notice, the Board comprises Mr. LIU Yancheng, Mr. LIU Xinsheng and Mr. PENG Rongwu as executive Directors, Mr. TAM Tak Wah as non-executive Director, and Mr. LEUNG Po Hon, Mr. LI Jin and Dr. LUO Xiaodong as independent non-executive Directors.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the meeting will be Monday, 16 October 2017. In order to be eligible to attend and vote at the meeting, unregistered holders of shares of the Company shall ensure that all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 16 October 2017.