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If you have sold or transferred all your shares in SIM Technology Group Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or the transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SIM Technology Group Limited

晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS;
PROPOSED ADOPTION OF SHARE OPTION SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of SIM Technology Group Limited to be held at Unit 1804A, 18th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 1 June 2016 at 10:00 a.m. is set out on pages AGM-1 to AGM-6 of this circular. Whether or not you are able to attend the annual general meeting in person, 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 Company's principal place of business in Hong Kong at Unit 2908, 29th Floor, 248 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting (or any adjournment thereof) should you so wish.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at 10:00 a.m. on Wednesday, 1 June 2016 at Unit 1804A, 18th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong and any adjournment thereof (if any), the notice of which is set out on pages AGM-1 to AGM-6 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	SIM Technology Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiary or any Invested Entity

DEFINITIONS

“Eligible Participant(s)”	the persons who may be offered by the Directors to take up Options including: (a) any Eligible Employee; (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary of the Company or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity
“Expired Share Option Scheme”	the expired share option scheme adopted by the Company on 30 May 2005 and expired on 29 May 2015
“Group”	the Company and its subsidiaries from time to time and “member(s) of the Group” shall be construed accordingly
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Invested Entity”	any entity in which any member of the Group holds any equity interest

DEFINITIONS

“Latest Practicable Date”	22 April 2016, 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
“Offer”	an offer for the grant of an Option made in accordance with the Share Option Scheme
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant or, in the case of an Offer for a further grant of Option made subject to Shareholders’ approval in accordance with the Share Option Scheme, the date, which must be a Business Day, of the meeting of the Directors for proposing such further grant
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to Eligible Participant(s) to subscribe for Share(s) under the Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the Share Option Scheme; and (ii) 10 years from the Offer Date of that Option
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting for the benefit of the Group, its employees, directors, subsidiaries and other Eligible Participants, a summary of the principal terms of which is set out in Appendix III to this circular

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Date”	the date which falls ten (10) years after the date of adoption (subject to the passing of a resolution by Shareholders at the Annual General Meeting to so approve) of the Share Option Scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

LETTER FROM THE BOARD



SIM Technology

SIM Technology Group Limited

晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

Executive Directors:

Ms Yeung Man Ying (*Chairman*)

Mr Wong Cho Tung

Ms Tang Rongrong

Mr Chan Tat Wing, Richard

Mr Liu Hong

Mr Liu Jun

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business
in Hong Kong:*

Unit 2908, 29th Floor

248 Queen's Road East

Wanchai

Hong Kong

Independent non-executive Directors:

Mr Liu Hing Hung

Mr Xie Linzhen

Mr Dong Yunting

28 April 2016

To the Shareholder

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS;
AND
PROPOSED ADOPTION OF SHARE OPTION SCHEME**

(I) INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to be held on Wednesday, 1 June 2016 at Unit 1804A, 18th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong, the notice of which ("**Notice of the Annual General Meeting**") is set out on pages AGM-1 to AGM-6 of this circular. These proposed resolutions include, among others, the ordinary resolutions to (i) grant the Directors general mandates to allot, issue and deal with Shares and repurchase issued Shares and, subject to the passing of the resolutions approving the grant of the aforesaid general mandates, to extend the general mandate to allot, issue and

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deal with additional Shares by an amount not exceeding the number of Shares purchased by the Company under the authority to repurchase; (ii) re-elect the Directors who are due to retire by rotation at the Annual General Meeting; and (iii) adopt the Share Option Scheme.

(II) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed in the terms set out in Resolution 4A of the Notice of the Annual General Meeting to renew the general and unconditional mandate to authorise the Directors to allot, issue and otherwise deal with new Shares of up to 20 per cent. (20%) of the number of issued shares of the Company in issue as at the date of passing the resolution with effect from the expiry of the current general mandate to issue Shares granted to the Directors at the last annual general meeting of the Company held on 3 June 2015 (“**Issue Mandate**”). As at the Latest Practicable Date, a total of 2,557,896,300 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 255,789,630 Shares.

At the Annual General Meeting, an ordinary resolution will be proposed in the terms set out in Resolution 4B of the Notice of the Annual General Meeting to renew the general mandate to authorise the Directors to exercise the powers of the Company to repurchase Shares up to a limit of 10 per cent. (10%) of the number of issued shares of the Company as at the date of passing the resolution (“**Repurchase Mandate**”).

In addition, if the resolutions approving the Issue Mandate and the Repurchase Mandate are passed, an ordinary resolution in the terms set out in Resolution 4C of the Notice of the Annual General Meeting will be proposed to authorise the Directors to allot, issue and otherwise deal with further Shares up to an amount equal to the aggregate number of the Shares repurchased under the Repurchase Mandate (“**Extension Mandate**”).

An explanatory statement as required under the Listing Rules giving information regarding the Repurchase Mandate is set out in Appendix I to this circular.

(III) PROPOSED RE-ELECTION OF DIRECTORS

In accordance with bye-law 87 of the Bye-laws, at the Annual General Meeting, each of Ms Yeung Man Ying (an executive Director), Ms Tang Rongrong (an executive Director) and Mr Liu Hong (an executive Director) will retire from office by rotation and, being eligible, will offer himself/herself for re-election.

Pursuant to bye-law 86(2) of the Bye-laws, Mr Liu Jun shall only hold office until the Annual General Meeting. He, being eligible, will offer himself for re-election at the Annual General Meeting.

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

LETTER FROM THE BOARD

(IV) PROPOSED ADOPTION OF SHARE OPTION SCHEME

The Expired Share Option Scheme

The adoption date of the Expired Share Option Scheme was 30 May 2005. Pursuant to the terms of the Expired Share Option Scheme, it was valid and effective until 29 May 2015, being 10 years after the adoption date of the Expired Share Option Scheme. Other than the Expired Share Option Scheme, the Company currently does not maintain any other share option scheme.

As at the Latest Practicable Date, the maximum number of Shares that may be allotted and issued upon exercise of the outstanding share options granted but not yet exercised under the Expired Share Option Scheme was 131,777,865, details of which are as below:

Grantee	Date of grant	Exercise price per Share (HK\$)	Exercise period	Number of options outstanding as at the Latest Practicable Date
Ms Tang Rongrong	28 March 2008	0.69	15 April 2009 to 27 March 2018	936,000
	3 September 2009	0.68	15 April 2010 to 2 September 2019	3,510,000
Mr Chan Tat Wing Richard	28 March 2008	0.69	15 April 2009 to 27 March 2018	1,872,000
	3 September 2009	0.68	15 April 2010 to 2 September 2019	3,510,000
Mr Liu Hong	13 November 2007	1.40	1 April 2008 to 12 November 2017	117,000
	28 March 2008	0.69	15 April 2009 to 27 March 2018	393,120
	3 September 2009	0.68	15 April 2010 to 2 September 2019	936,000
Mr Liu Jun	3 September 2009	0.68	15 April 2010 to 2 September 2019	936,000
Employees of the Group	12 May 2006	3.14	1 January 2007 to 11 May 2016	2,258,100
	13 November 2007	1.40	1 April 2008 to 12 November 2017	3,542,175
	28 March 2008	0.69	15 April 2009 to 27 March 2018	12,456,405
	3 September 2009	0.68	15 April 2010 to 2 September 2019	38,698,065

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Grantee	Date of grant	Exercise price per Share (HK\$)	Exercise period	Number of options outstanding as at the Latest Practicable Date
	19 July 2013	0.346	15 April 2014 to 18 July 2023	17,213,000
Consultants	19 July 2013	0.346	15 April 2014 to 18 July 2023	45,400,000
Total:				<u>131,777,865</u>

Upon expiry of the Expired Share Option Scheme, no further options may be granted but in all other respects the provisions of the Expired Share Option Scheme shall remain in full force and effect. Therefore, the adoption of the Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Expired Share Option Scheme and the above outstanding options granted under the Expired Share Option Scheme shall continue to be valid and subject to the provisions of the Expired Share Option Scheme.

The Share Option Scheme

Since expiry of the Expired Share Option Scheme on 29 May 2015, no new share option scheme has been adopted by the Company. The Board now proposes to adopt the Share Option Scheme pursuant to Chapter 17 of the Listing Rules, and a resolution will be proposed at the Annual General Meeting for the adoption of the Share Option Scheme.

The Directors consider that the Share Option Scheme will enable the Group to incentivise and reward its employees, Directors and other Eligible Participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the subscription price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

Pursuant to the terms of the Share Option Scheme, the Board shall have the right to determine and select Eligible Participants to whom the Options shall be granted. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

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The Eligible Participants include, among others, persons who are suppliers, customers, shareholders, advisers and persons providing research and other technical support to any Invested Entity of the Group (i.e. persons under categories (c) to (g) in the paragraph headed “(2) Who May Join” in Appendix III to this circular) (“**Invested Entity Eligible Participants**”). The Company is of the view that the success of Invested Entity is conducive to the financial performance of the Group and will be reflected on the price of the Shares. As such, grant of Options to the Invested Entity Eligible Participants can motivate them to contribute to the development of the Invested Entity as well as the Group as their financial interest become aligned with that of the Group by subscribing for Shares themselves. In determining the eligibility of Invested Entity Eligible Participants, the Directors will have regard to their contribution to the Invested Entity, the Group’s shareholding in the Invested Entity and whether the grant of Options will serve to promote the development of the Group.

As at the Latest Practicable Date, there were 2,557,896,300 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the Annual General Meeting, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme will be 255,789,630 Shares (“**Available Limit**”), being 10% of the Company’s issued shares as at the date of approval of the Share Option Scheme by the Shareholders at the Annual General Meeting, which maximum number may however be refreshed as detailed in paragraph headed “(3) Maximum number of shares available for subscription” of Appendix III to this circular provided that the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other schemes shall not exceed 30% of the issued shares of the Company from time to time (“**30% Overall Limit**”).

On the basis of 2,557,896,300 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represented a total of 767,368,890 Shares. As at the Latest Practicable Date, there were 131,777,865 outstanding options under the Expired Share Option Scheme and the maximum number of Shares which might be issued upon the exercise of options under the Available Limit amounted to 255,789,630 as discussed above. Therefore, the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under any other schemes of the Company (i.e. the Expired Share Option Scheme) amounted to 387,567,495 and accordingly, did not exceed the 30% Overall Limit as at the Latest Practicable Date.

None of the Directors is a trustee of the Share Option Scheme nor has a direct or indirect interest in the trustee. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Unless otherwise determined by the Directors and stated in the Offer to a grantee, there is no performance target and no minimum period for which an Option must be held before it can be exercised under the Share Option Scheme. The subscription price

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for Shares on exercise of Options under the Share Option Scheme as determined by the Board, subject to any adjustments made pursuant to the Share Option Scheme, shall be no less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

Value of Options that can be granted under the 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 Share Option Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the Share Option Scheme at the Annual General Meeting will not be meaningful to the Shareholders, since the Options will be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of 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. In addition, the calculation of the value of the Options is based on a number of variables such as subscription price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

Conditions of the adoption of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (a) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the Share Option Scheme (up to 10% of the Shares in issue as at the date of the Annual General Meeting); and
- (b) the passing of the necessary resolution by the Shareholders at the Annual General Meeting to approve and adopt the Share Option Scheme.

A summary of the principal terms of the rules of Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix III to this circular on pages 20 to 29. A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 2908, 29th Floor, 248 Queen's Road East, Wanchai, Hong Kong during normal business hours for the period from 28 April 2016 to 31 May 2016 (inclusive of both dates) and at the Annual General Meeting.

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Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme (up to 10% of the Shares in issue as at the date of the Annual General Meeting).

As at the Latest Practicable Date, no Option has been granted or agreed to be granted under the Share Option Scheme.

(V) ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll. The chairman of the Annual General Meeting will explain the procedures for conducting a poll at the commencement of the Annual General Meeting. To the best of the Directors' knowledge, information and belief, none of the Shareholders is required to abstain from voting for the resolutions to be proposed at the Annual General Meeting.

After the conclusion of the Annual General Meeting, the poll results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sim.com.

The notice convening the Annual General Meeting to be held at Unit 1804A, 18th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 1 June 2016 at 10:00 a.m. is set out on pages AGM-1 to AGM-6 of this circular. Whether or not you are able to attend the Annual General Meeting in person, 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 Company's principal place of business in Hong Kong at Unit 2908, 29th Floor, 248 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 any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or (any adjournment thereof) should you so wish.

(VI) RECOMMENDATION

The Directors believe that all the ordinary resolutions in respect of, among others, the granting of the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the adoption of Share Option Scheme and the re-election of Directors, as set out in the Notice of the Annual General Meeting, are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the ordinary resolutions to be proposed at the Annual General Meeting.

(VII) 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

LETTER FROM THE BOARD

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.

Yours faithfully,
For and on behalf of the board of Directors
SIM Technology Group Limited
Yeung Man Ying
Chairman

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

The following is the explanatory statement required to be sent to shareholders of the Company under Rule 10.06(1)(b) of the Listing Rules to provide requisite information for you to make an informed decision whether to vote for or against the resolution to approve the Repurchase Mandate.

1. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,557,896,300 Shares. Subject to the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the passing of the relevant resolution at the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 255,789,630 Shares.

2. Reasons for repurchases

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time of repurchase, 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 its shareholders as a whole.

3. Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. A listed company may not repurchase its own shares on the Main Board of the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Bermuda law provides that the amount to be paid in connection with a Share repurchase may only be paid out of the capital paid up on the relevant purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. It is envisaged that the funds required for any repurchase under the Repurchase Mandate would be derived from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2015 in the event that the repurchase of Shares under the Repurchase Mandate 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.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

4. Share prices

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

Month	Price per share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2015		
April	0.540	0.400
May	0.780	0.465
June	0.750	0.530
July	0.580	0.300
August	0.475	0.345
September	0.410	0.345
October	0.475	0.390
November	0.510	0.400
December	0.480	0.440
2016		
January	0.445	0.285
February	0.355	0.320
March	0.420	0.355
April (up to the Latest Practicable Date)	0.405	0.370

5. Undertaking and disclosure of interests

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 pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the memorandum of association of the Company and Bye-laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the shareholders of the Company.

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 and no such person has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders of the Company.

6. Hong Kong Code on Takeovers and Mergers

If on the exercise of the power 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 Hong Kong Code on Takeovers and Mergers ("**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 Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Info Dynasty Group Limited, Simcom Limited and Intellipower Investments Limited, Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Wong Hei, Simon and Mr Wong Sun (together, the "**Concert Group**") were together beneficially interested in 1,212,502,000 Shares, representing approximately 47.40% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate and if there is no other change in the issued share capital of the Company and the aggregate number of issued shares in which the Concert Group is interested remains unchanged, the shareholding of the Concert Group will be increased to approximately 52.67% of the issued share capital of the Company. Accordingly, an exercise of the Repurchase Mandate in full will result in the Concert Group becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

Save as disclosed above, the Directors are not aware of any shareholder or group of shareholders of the Company acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any repurchases made pursuant to the Repurchase Mandate.

7. Share repurchases made by the Company

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

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

Ms Yeung Man Ying (“Mrs Wong”), aged 71, is the chairman and an executive Director and a director of Sunrise Electronic Industry Limited, a wholly-owned subsidiary of the Company. Mrs Wong is responsible for developing direction and strategies of the Group. Mrs Wong together with her spouse, Mr Wong Cho Tung (**“Mr Wong”**), an executive Director, was the founder of the Company. Over the years, Mrs Wong and Mr Wong had established a number of companies which engaged in the electronics and telecommunications business including Shanghai Sunrise Simcom Ltd. (**“Shanghai Sunrise Simcom”**), one of the Group’s main operating subsidiary which was established in November 1993. Mrs Wong has over 20 years of operational and management experience in the electronics and telecommunications industry. Mrs Wong lectured at the Electrical Department of the South China University of Technology in 1977. Mrs Wong has been a guest professor at Tongji University since 2003. Mrs Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specialising in electrical engineering. Mrs Wong has not held any directorship in other listed companies during the last three years. Mrs Wong is the spouse of Mr Wong.

Save as disclosed above, Mrs Wong does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mrs Wong was interested in 738,275,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance (**“SFO”**). Pursuant to the service agreement entered into between Mrs Wong and the Company, Mrs Wong is entitled to a fixed salary of HK\$1 per annum which was reviewed and approved by the remuneration committee of the Company (**“Remuneration Committee”**) based on factors including the terms of remuneration as set out in the service agreement entered into between the Company and Mrs Wong in 2015 and Mrs Wong’s shareholding interest in the Company. The service agreement also provides that, subject to the decision of the Remuneration Committee, the Company may also grant to Mrs Wong options to subscribe for Shares in accordance with the share option schemes adopted or to be adopted by the Company. Under the service agreement between the Company and Mrs Wong, Mrs Wong’s appointment is for a term of one year from 31 May 2015, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws.

Ms Tang Rongrong (“Ms Tang”), aged 62, is an executive Director, vice president of the business operation headquarter (located in Shanghai, PRC) of the Group and a director of Shanghai Sunrise Simcom and Shanghai SIM Technology Limited. Ms Tang has nearly 20 years of experience in human resources management, administration and corporate operation. Prior to joining the Group in 1995, Ms Tang was a physician of 江西省贛州市第一人民醫院 (unofficial English translation being Jiangxi Ganzhou First People’s Hospital) and the head of technology and deputy chief physician of 南昌市計劃生育指導所 (unofficial English translation being Nanchang Birth Planning Institute). Since then, Ms Tang has served as the manager and deputy general manager of the personnel and administration department of Shanghai Sunrise Simcom. Ms Tang graduated from 贛南醫學專科學校 (unofficial English translation being Gannan Medical College) in 1978. Ms Tang has not held any directorship

in any other listed public companies during the last three years. Ms Tang does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms Tang was interested in 4,446,000 underlying shares of the Company granted under the share option schemes of the Company within the meaning of Part XV of the SFO. Save as disclosed, Ms Tang did not have any interest in the Shares within the meaning of the SFO as at the Latest Practicable Date. Pursuant to the service agreement entered into between Ms Tang and the Company in respect of her appointment as an executive Director, Ms Tang is entitled to (i) a fixed salary of RMB420,000 per annum, which is subject to annual review by the Remuneration Committee; (ii) a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and Ms Tang, and (iii) subject to the decision of the Remuneration Committee, the Company may also grant to Ms Tang options to subscribe for Shares in accordance with the share options schemes adopted or to be adopted by the Company. The emolument of Ms Tang is determined by reference to the level of remuneration package normally granted to senior executives in the industry of comparable caliber and job responsibilities. Under the service agreement between Ms Tang and the Company, Ms Tang's appointment is for a term of one year from 31 May 2015, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws.

Mr Liu Hong ("Mr Liu"), aged 51, is an executive Director and the chief operating officer of the Group's business operation headquarter (located in Shanghai, PRC). He is responsible for overseeing the product quality and product delivery processes of the Group. Mr Liu obtained a Bachelor degree of Engineering specialised in electronic engineering at Shanghai Jiao Tong University (上海交通大學) in July 1986. He also obtained a Master degree of Engineering specialised in communications and electronic systems at ShanghaiTech University (上海科技大學) in December 1988 and a PhD degree of Engineering specialised in electric field and microwave technology at Shanghai University (上海大學) in July 1999. Mr Liu had worked as a vice general manager in 上海迪比特實業有限公司 (unofficial English translation being Shanghai DBTEL Industry Company Limited) from 2000 to 2006 and a vice general manager in 上海匯眾信息技術有限公司 (unofficial English translation being Shanghai Hui Zhong Information Technology Company Limited) from 2006 to 2007. Mr Liu joined the Group in 2007, and appointed as an executive Director on 1 March 2013. Mr Liu has not held any directorship in any other listed public companies during the last three years. Mr Liu does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Liu was interested in 1,446,120 underlying Shares of the Company within the meaning of Part XV of the SFO. Pursuant to the service agreement entered into between Mr Liu and the Company in respect of his appointment as an executive Director, Mr Liu will not receive a fixed salary for his acting as an executive Director but will be entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and Mr Liu and subject to the decision of the Remuneration Committee, the Company may also grant to Mr Liu options to subscribe for Shares in accordance with the share option scheme adopted or to be adopted

by the Company. The emolument of Mr Liu is determined by reference to the level of remuneration package normally granted to senior executives in the industry of comparable caliber and job responsibilities and taking into account that Mr Liu is currently entitled to a fixed monthly salary of RMB60,000 as the chief operating officer of the Group's business operation headquarter (located in Shanghai, PRC) pursuant to his service contract entered into with the Group. Under the director's service agreement between Mr Liu and the Company, Mr Liu's appointment is for a term of one year from 31 May 2015, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws.

Mr Liu Jun, aged 43, is an executive Director (appointed on 4 June 2015) and the chief executive officer of the Group. Mr Liu Jun is fully responsible for the overall management of the Group. Mr Liu Jun graduated with a bachelor's degree in electronic engineering from 天津大學 (Tianjin University) in 1994 and was awarded a master's degree in information technology from 南京郵電學院 (unofficial English translation being Nanjing Institute of Post and Telecommunications)(currently known as 南京郵電大學 (Nanjing University of Post and Telecommunications)) in 1997. Mr Liu Jun has extensive experience in the field of telecommunication technology and software programmes development. Prior to joining the Group, Mr Liu Jun has worked for the mobile research and development centre of Motorola in Beijing and was responsible for the development of telecommunication software programmes. Mr Liu Jun has also worked for China Techfaith Wireless Communication Technology Limited, a company listed on the NASDAQ of the United States, from August 2002 to March 2007, in various positions including as a director, chief operating officer and executive senior vice president. Mr Liu Jun has not held any directorship in any other listed public companies during the last three years. Mr Liu Jun does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Liu Jun interested in 1,936,000 shares and underlying shares of the Company within the meaning of Part XV of the SFO. Pursuant to the service agreement entered into between Mr Liu Jun and the Company in respect of his appointment as an executive Director, Mr Liu Jun will not receive a fixed salary for his acting as an executive Director but will be entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and Mr Liu Jun and subject to the decision of the Remuneration Committee, the Company may also grant to Mr Liu Jun options to subscribe for Shares in accordance with the share option scheme adopted or to be adopted by the Company. The emolument of Mr Liu Jun is determined by reference to the level of remuneration package normally granted to senior executives in the industry of comparable caliber and job responsibilities and taking into account that Mr Liu Jun is currently entitled to a fixed monthly salary of RMB60,000 as the chief executive officer of the Group pursuant to his service contract entered into with the Group. Under the director's service agreement between Mr Liu Jun and the Company, Mr Liu Jun's appointment will be for a term of one year from 4 June 2015, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws.

Each of Mrs Wong, Ms Tang, Mr Liu and Mr Liu Jun has confirmed to the board of Directors that the details set out in paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules are not relevant to him or her and therefore no information needs to be disclosed by any of them in relation to those paragraphs. Each of Mrs Wong, Ms Tang, Mr Liu and Mr Liu Jun has further confirmed to the board of Directors that save as disclosed above, there is no other matter that needs to be brought to the shareholders' attention in relation to their re-election as Directors and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

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

(1) PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Group to grant Options to Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the Share Option Scheme and the Listing Rules, invite any person belonging to any of the following classes of participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity.

and, for the purposes of the Share Option Scheme, the Offer may be made to any company wholly owned by one or more persons belonging to any of the above classes of Eligible Participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the Share Option Scheme.

The basis of eligibility of any of the Eligible Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her contribution to the development and growth of the Group.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue from time to time.
- (b) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the day on which the Share Option Scheme is approved and adopted, which is 255,789,630 Shares (assuming there will be no change in the number of issued Shares between the Latest Practicable Date and the date of approval of the Share Option Scheme) (“**General Scheme Limit**”).
- (c) Subject to (a) above and without prejudice to (d) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular to be sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (c) above to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (e) If the Company conducts a share consolidation or subdivision after the General Scheme Limit, or if applicable, the refreshed limit referred to in (c) above, has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme

or any other share option schemes of the Group under the General Scheme Limit, or if applicable, the refreshed limit referred to in (c) above, as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

(4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised, cancelled or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being (“**Individual Limit**”). Any further grant of Options to an Eligible Participant in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such participant and his/her close associates abstaining from voting. The number and terms (including the subscription price) of the Options to be granted to such participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who or whose associate is the grantee of the Options).
- (b) 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 Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing, among other things, information required under Rule 17.04(3) of the Listing Rules. Such grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the said circular to the

Shareholder. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of Options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must also be approved by the independent Shareholders in general meeting.

(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND EXERCISE OF OPTION

An offer of the grant of the Option may be accepted by a participant within such time as may be specified in the Offer (which shall not be later than 5 days from the Offer Date) and the Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted on the Offer Date.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the Offer Date but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof.

(7) MINIMUM PERIOD AND PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a grantee, a grantee is not required to hold an Option for any minimum period nor achieve any performance targets before any Options granted under the Share Option Scheme can be exercised.

(8) SUBSCRIPTION PRICE FOR SHARES

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the Shares for the five Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

(9) RANKING OF SHARES

- (a) Shares allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws and will rank *pari passu* in all respects with the 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 ("**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 thereof shall be before the Exercise Date. No dividend (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

(10) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, the Company may not grant any Options after inside information has come to its knowledge until it has announced the information. In particular, the Company may not grant any Option during the period commencing one month immediately before the earlier of (a) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under 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 last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), including any period of delay in publishing the results announcement and ending on the date of the results announcement. The Directors may not make any Offer to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the period or times in which such Eligible Participant is prohibited from dealing in Shares pursuant in such code.

(11) PERIOD OF THE SHARE OPTION SCHEME

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(12) RIGHTS ON CEASING EMPLOYMENT

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in paragraph (15) below before exercising his/her Option in full, the Grantee may forthwith and until the expiry of the period commencing with the date of cessation or termination and ending with the date falling one (1) calendar month thereafter be entitled to exercise the Option (to the extent not already exercised) in whole or in part unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent not

already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(13) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

(14) RIGHTS ON DISMISSAL

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he/she has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), or (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant subsidiary of the Company or the relevant Invested Entity, his/her Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(15) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (a)(i) the grantee of any Option (other than an Eligible Employee) or his/her associate has committed any breach of any contract entered into between the grantee or his/her associate on the one part and the Group or any Invested Entity on the other part; or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of his/her relations with the Group or by other reason whatsoever; and (b) the Option granted to the grantee under the Share Option scheme shall lapse, his/her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(16) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is 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 association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, a grantee shall be entitled to exercise his/her Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his/her Option at any time before the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement (as the case maybe). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such scheme or arrangement, and thereupon any grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his/her Option (to the extent not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his/her Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

(17) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days prior to the date on which such resolution is to be considered and/or passed, exercise his/her Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and the Company shall allot and issue to the grantee of the Shares in respect of which such grantee has exercised his/her Option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in

liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(18) GRANTEE BEING A COMPANY WHOLLY OWNED BY ELIGIBLE PARTICIPANTS

If the grantee is a company wholly-owned by one or more Eligible Participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the Options to such grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and
- (b) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(19) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the Share Option Scheme and the Option so far as unexercised and/or the subscription price of the Option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

Unless otherwise stipulated by the applicable laws, the effective date of any adjustment in accordance with the provisions of the Share Option Scheme shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to above, the day on which the Shares relating to such event are allotted or, as the case may be, created.

(20) CANCELLATION OF OPTIONS

Save as to breach of paragraph (22) and subject to Chapter 17 of the Listing Rules, any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and issues new Options to the same grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (3)(c) and (d) above.

(21) TERMINATION OF THE SHARE OPTION SCHEME

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

(22) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the grantee and shall not be transferable or assignable.

(23) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (12), (13), (14), (15), (16), (17) and (18); or (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (22) above by the grantee.

(24) OTHERS

- (a) The Share Option Scheme is conditional on the passing of the necessary resolution to approve and adopt the Share Option Scheme in the Annual General Meeting and the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (b) The Share Option Scheme may be altered in any respect by a resolution of the Directors except that the provisions of the Share Option Scheme as to (i) the definitions of "Eligible Participants", "Grantee", "Option Period" and

“Termination Date” and (ii) the provisions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules, shall not be altered to the advantage of grantees or prospective grantees except with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Shareholders under the bye-laws of the Company for a variation of the rights attached to the Shares.

- (c) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (d) The amended terms of the Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



SIM Technology

SIM Technology Group Limited

晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

NOTICE IS HEREBY GIVEN that the annual general meeting of SIM Technology Group Limited (“**Company**”) will be held at Unit 1804A, 18th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Wednesday, 1 June 2016 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditors for the year ended 31 December 2015.
2. (a) To re-elect Ms Yeung Man Ying as a director of the Company (“**Director**”).
(b) To re-elect Ms Tang Rongrong as a Director.
(c) To re-elect Mr Liu Hong as a Director.
(d) To re-elect Mr Liu Jun as a Director.
(e) To authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

A. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company or securities convertible into shares of the Company (“**Shares**”) or options, warrants, or similar right to subscribe for any shares or

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

convertible securities of the Company and to make or grant offers, agreements and options, including bonds, warrants and debentures and any other securities which carry rights to subscribe for or are convertible into Shares which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (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 (as hereinafter defined) to make or grant offers, agreements and options, including bonds, warrants and debentures and any other securities which carry rights to subscribe for or are convertible into Shares, which would or might require the Shares to be issued, allotted or disposed of, whether during the continuance of or after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate number of securities allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than any allotment and issue of the Shares (i) pursuant to a Rights Issue (as hereinafter defined); or (ii) on the exercise of the subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares which may be issued by the Company from time to time; or (iii) on the exercise of any options granted under the share option schemes or similar arrangement of the Company adopted from time to time in accordance with the Listing Rules; or (iv) in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company, shall not exceed the aggregate of: (aa) 20 per cent. (20%) of the number of the issued shares of the Company as at the date of passing this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of the issued shares of the Company which may be repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of the issued shares of the Company on the date of the passing of this resolution); and the said approval shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and

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- (e) 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 bye-laws of the Company to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for 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 as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations, or the expense and delay in determining the extent of any restrictions or obligations, under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong which are applicable to the Company).”

B. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (for the purpose of this resolution, “**Relevant Period**” shall have the same meaning as assigned to it under the resolution set out in paragraph 4A of the notice convening this meeting) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs 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;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. (10%) of the 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) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.”
 - 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 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 aggregate number of securities 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 aggregate number of 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. (10%) of the number of issued shares of the Company as at the date of passing this resolution.”
5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:
- “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, such number of shares of HK\$0.10 each (“**Shares**”) in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme of the Company (“**Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 28 April 2016) (“**Circular**”), such number being not less than that of the General Scheme Limit (as defined in the Circular), the rules of the Share Option Scheme be and are hereby approved and adopted and that the Directors be and are hereby authorised to:
- (a) administer the Share Option Scheme under which options will be granted to eligible participants under the Share Option Scheme to subscribe for Shares;
 - (b) modify and/or amend the rules of the Share Option Scheme from time to time subject to the provisions of such rules;

NOTICE OF ANNUAL GENERAL MEETING

- (c) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme; and
- (d) make application at the appropriate time to the Stock Exchange, and any other stock exchange upon which the Shares may for the time being be listed, for listing of, and permission to deal in, the Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the options under the Share Option Scheme.

if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the General Scheme Mandate (as defined in the Circular) shall be adjusted to the effect that the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the General Scheme Mandate (as defined in the Circular) as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same.”

By order of the board of Directors
SIM Technology Group Limited
Wong Cho Tung
Director

28 April 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
Unit 2908, 29th Floor
248 Queen's Road East
Wanchai
Hong Kong

As at the date of this notice, the executive Directors are Ms Yeung Man Ying, Mr Wong Cho Tung, Ms Tang Rongrong, Mr Chan Tat Wing, Richard, Mr Liu Hong and Mr Liu Jun and the independent non-executive Directors are Mr Liu Hing Hung, Mr Xie Linzhen and Mr Dong Yunting.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company holding two or more Shares entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy needs not be a member of the Company.
2. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the person, whether attending in person or by proxy, whose name stands first on the register of members of the Company in respect of such Share shall be accepted to the exclusion of the vote(s) of the other joint holder(s).
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's principal place of business in Hong Kong at Unit 2908, 29th Floor, 248 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude any member from attending and voting at the above meeting (or any adjournment thereof) in person.
4. To ascertain the right to attend the above meeting, register of members of the Company will be closed from Monday, 30 May 2016 to Wednesday, 1 June 2016 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the attendance at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 27 May 2016.
5. In relation to the proposed resolution numbered 4B above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase the securities of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in appendix I to the circular despatched to the shareholders of the Company on the date hereof.