

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Comtec Solar Systems Group 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, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 712)

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company to be held at 5/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong on 31 December 2018 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend and/or vote at the extraordinary general meeting of the Company in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting of the Company or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

The following terms have the following meanings in this circular unless the context otherwise requires:

“Adoption Date”	31 December 2018, the date on which the New Share Option Scheme is conditionally adopted by the Shareholders at the EGM
“Affiliate”	Has the meaning ascribed thereto in the Listing Rules
“Associates”	has the meaning ascribed thereto in the Listing Rules
“Auditors”	has the meaning ascribed thereto in the Listing Rules
“Bankruptcy Ordinance”	the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong)
“Board”	the board of Directors or a duly authorized committee thereof
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Company”	Comtec Solar Systems Group Limited, a company incorporated in the Cayman Islands with limited liability and having its issued Shares listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Culpable Termination”	termination on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or another applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty
“Director(s)”	the director(s) of the Board
“EGM”	the extraordinary general meeting of the Company to be held at 5/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong on 31 December 2018 at 10:00 a.m.

DEFINITIONS

“Eligible Person”	<p>Means any of the following persons:</p> <ul style="list-style-type: none">(a) an Executive;(b) a director or proposed director (including an independent non-executive director) of any member of the Group;(c) a direct or indirect shareholder of any member of the Group whom the Board considers, in its sole discretion has contributed or will contribute to the Group;(d) a supplier of goods or services to any member of the Group;(e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;(f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and(g) any other person (including any individual staff member of any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group
“Employee”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group
“Executive”	any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group
“Grantee”	any Eligible Person who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 December 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Offer Date” or “Date of Grant”	the date on which any Option is offered to such Eligible Person under the New Share Option Scheme
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
Option Period”	in respect of any particular Option (subject as otherwise provided under the terms of the New Share Option Scheme, including without limitation paragraph 12 in the Appendix to this circular), such period during which the Option is exercisable as set out in the offer of the Option, which shall, at the discretion of the Directors, commence at any time on or after the date of the offer of the Option and expire no later than the tenth anniversary of the date of such offer, and in case the Option is offered on different occasions, the option period shall commence at any time on or after the date of the first offer
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 2 October 2009
“Shares”	ordinary shares (or such shares as shall result from any division, sub-division, consolidation, re-classification or re-construction of the ordinary shares or any portfolio thereof from time to time) in the Company
“Shareholders”	holders of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for certain portfolio of the Shares on the exercise of an Option

DEFINITIONS

“Subsidiary”	a company which is for the time being and/or from time to time a subsidiary of the Company
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 712)

Executive Directors:

Mr. John Yi Zhang (*Chairman*)
Mr. Zhang Zhen
Mr. Chau Kwok Keung

Non-executive Director:

Mr. Wang Yixin

Independent Non-executive Directors:

Mr. Leung Ming Shu
Mr. Kang Sun
Mr. Xu Erming

Registered office:

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

Principal place of business in

Hong Kong:

Suite 33
35/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

11 December 2018

To the Shareholders and holders of options of the Company,

Dear Sir or Madam,

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the ordinary resolution to be proposed at the EGM on adoption of the New Share Option Scheme to enable you to make an informed decision on whether to vote for or against the resolution and to give you notice of the EGM at which the ordinary resolution as set out in the notice of EGM will be proposed.

LETTER FROM THE BOARD

2. ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme, which became effective on 2 October 2009 and will expire after 1 October 2019, was adopted for the purpose of recognizing and acknowledging the contributions that Eligible Persons had made or may have made to the Group. Under the Existing Share Option Scheme, options previously granted but unexercised which as at the Latest Practicable Date, entitled the option holders to subscribe for an aggregate of 336,218,175 Shares upon the exercise in full of the options, will remain valid and exercisable in accordance with the terms of the Existing Share Option Scheme and their respective terms of issue.

In view of (i) assuming there is no further refreshment of the scheme mandate limit, the scheme mandate limit of the Existing Share Option Scheme has been reached; and (ii) the Existing Share Option Scheme is going to expire in less than one year, the Board recommends the Shareholders to adopt the New Share Option Scheme and terminate the Existing Share Option Scheme subject to and upon adoption of the New Share Option Scheme so that the Company may grant Options to selected Eligible Persons as incentives or rewards for their contribution to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to attract and retain individuals with experience and ability that are valuable to the Group (or any member of the Group). According to the terms of the Existing Share Option Scheme, the Company may by resolution in general meeting terminate the operation of the Existing Share Option Scheme at any time and in such event no further options will be offered under and/or pursuant to the Existing Share Option Scheme but the provisions of the Existing Share Option Scheme shall remain in force in all other respects.

Under the New Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Options (e.g. in relation to the minimum period of the Options to be held, the performance targets to be achieved before such Options can be exercised and to determine the Subscription Price). The Directors consider that the aforesaid terms of the New Share Option Scheme will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help to achieve the purpose of the New Share Option Scheme.

The New Share Option Scheme shall take effect conditional upon:

- (a) the passing of the resolution of Shareholders to adopt the New Share Option Scheme; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of Option under the New Share Option Scheme.

Under the New Share Option Scheme, the aggregate number of Shares in respect of which Options (including both exercised and outstanding Options) may be granted under the New Share Option Scheme and any other share option scheme(s) of the Company shall not, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Further, the maximum number of Shares which may be issued upon exercise of all outstanding Options

LETTER FROM THE BOARD

granted and yet to be exercised under the New Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

None of the Director is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

As at the Latest Practicable Date, the Company has 2,097,703,580 Shares in issue. Assuming that there is no change in the issued Shares between the period from the Latest Practicable Date to the Adoption Date of the New Share Option Scheme, the number of Shares issuable pursuant to the New Share Option Scheme and any other share option scheme(s) of the company on the Adoption Date will be 209,770,358 Shares, representing 10% of the total number of Shares in issue. If all 336,218,175 outstanding share options granted under the Existing Share Option Scheme are exercised in full prior to the Adoption Date, the issued Shares would be increased to 2,433,921,755 Shares, and the number of Shares issuable pursuant to the New Share Option Scheme and any other share option scheme(s) of the Company on the Adoption Date will be 243,392,175 Shares, representing 10% of the then total number of Shares in issue.

Application will be made to the Listing Committee for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, Option Period, any lock-up period, any performance targets set and other relevant variables. However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations of Options granted during any financial period will be provided based on the Black-Scholes option pricing model, binomial model or a comparable generally accepted methodology as at the end of the relevant financial period for the interim and final results of the Company.

An ordinary resolution to approve and adopt the New Share Option Scheme will be proposed at the EGM. A summary of the principal terms of the New Share Option Scheme is given in the Appendix to this circular.

A copy of the New Share Option Scheme will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the registered office of the Company at the principal place of business in Hong Kong at Suite 33, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, from the date of this circular until the date of the EGM.

LETTER FROM THE BOARD

3. EGM

The Company will convene the EGM for the Shareholders to consider and, if thought fit, approve by way of poll, the adoption of New Share Option Scheme. A notice convening the EGM to be held at 5/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong on 31 December 2018 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting at the EGM for approving the New Share Option Scheme.

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

4. RECOMMENDATION

Having considered the reasons set out herein, the Board is of the view that the adoption of New Share Option Scheme is in the interests of the Company and the Shareholders as a whole. The Board hereby recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the adoption of the New Share Option Scheme.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained 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.

By order of the Board of
Comtec Solar Systems Group Limited
John Yi ZHANG
Chairman

The following summarises the principal terms of the New Share Option Scheme to be conditionally approved by the Shareholders at the EGM but such summary does not form part of, nor is 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. The Directors reserve the right at any time prior to the EGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material respect with such terms as summarized in this appendix and the Listing Rules and any other applicable laws.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to motivate Eligible Persons (as mentioned in the following paragraph) to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions, and/or to provide the Company with a flexible means to remunerate and/or compensate selected participants (including shareholders of the Group who contribute to the Group by enhancing its profile in the investment community and facilitating development of the Company's non-wholly owned subsidiaries) as the Board may approve from time to time.

2. WHO MAY JOIN

The basis of eligibility of any of the class of Eligible Persons to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group (or any member of the Group). For avoidance of any doubt,

- (a) the grant of any option by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the classes of Eligible Persons shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under the New Share Option Scheme; and
- (b) no person shall be an Eligible Person only because of his, her or its being an eligible person under any previous option scheme adopted by the Company whether or not such previous option scheme shall have lapsed by the date on which the conditions set out on page 5 of this circular are satisfied.

Eligible Persons mean: (a) any Executive; (b) any director or proposed director (including an independent non-executive director) of any member of the Group; (c) any direct or indirect shareholder of any member of the Group whom the Board considers, in its sole discretion has contributed or will contribute to the Group; (d) any supplier of goods or services to any member of the Group; (e) any customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) any person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; or (g) any other

person (including any individual staff member of any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

3. SUBSCRIPTION PRICE OF SHARES

The Subscription Price in respect of any Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall not be less than whichever is the highest of (a) the nominal value of a Share; (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date.

4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) With respect to the number of Shares available for subscription under the New Share Option Scheme,
 - (a) The aggregate number of Shares in respect of which Options (including both exercised and outstanding Options) may be granted under the New Share Option Scheme and in respect of which any other share option scheme(s) of the Group may be granted shall not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme provided that Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company will not be counted for the purpose of calculating of the 10% limit under this sub-paragraph;
 - (b) The Company may seek approval from the Shareholders in general meeting for refreshing the 10% limit such that total number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other share option scheme(s) of the Company as "refreshed" shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders provided that Options previously granted under the New Share Option Scheme or any other share option scheme(s) of the Company (including Options outstanding, cancelled, lapsed or exercised in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) of the Company) will not be counted for the purpose of calculating the limit as "refreshed";

- (c) For the purpose of seeking the approval of Shareholders under sub-paragraph 4(i)(b), a circular containing 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 must be sent to the Shareholders;
 - (d) The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought;
 - (e) For the purpose of seeking the approval of the Shareholders under sub-paragraph 4(i)(d), the Company must issue a circular to the Shareholders containing a generic description of the specified Grantees who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules; and
 - (f) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Option may be granted under the New Share Option Scheme or any other share option scheme(s) of the Company if this will result in the limit set out in this sub-paragraph being exceeded.
- (ii) Further to sub-paragraph 4(i),
- (a) Subject to sub-paragraph 4(ii)(b), the maximum number of shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue from time to time.
 - (b) Where any further grant of Options to a Eligible Person, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Person and his Associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Person, the number and terms of the Options to be granted and Options previously granted to such Eligible Person and 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. The number and terms (including the

Subscription Price) of the Options to be granted to such Eligible Person must be fixed before the Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of grant for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS

Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time within 10 years after the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the Subscription Price for such number of Shares as the Board may (subject to the terms of the New Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Grantee, the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the Grantee before the Option can be exercised.

6. GRANT OF OPTIONS TO CONNECTED PERSONS

Subject to the terms in the New Share Option Scheme, only insofar as and for so long as the requirements of Rule 17.04 of the Listing Rules are complied, where any offer of an option is proposed to be made to a Director, chief executive or a Substantial Shareholder of the Company or any of their respective Associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding independent non-executive Director who is a Grantee of the Option).

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 months' period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and (b) 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 of the Company. The Company shall issue a circular to

Shareholders containing the information required under Rule 17.04(3) of the Listing Rules. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any core connected person may vote against the relevant resolution at the general meeting provided that his or her or its intention to do so has been stated in the circular in accordance with the Listing Rules.

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

7. OFFER PERIOD AND NUMBER ACCEPTED

An offer of the grant of an Option shall be made to an Eligible Person by letter in such form as the Board may from time to time determine requiring the Eligible Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the Offer Date provided that no such grant of an Option shall be open for acceptance after the expiry of the effective period of the New Share Option Scheme stated in paragraph 11 or after the New Share Option Scheme has been terminated in accordance with paragraph 15.

An Option shall be deemed to have been granted and accepted (with retrospective effect from the Offer Date) by the Eligible Person and to have taken effect when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer of the Option in the manner indicated in the above. To the extent that the offer of the grant of an Option is not accepted in the manner indicated in the above, it will be deemed to have been irrevocably declined.

8. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

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

9. EXERCISE OF OPTION

- (1) An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the Option Period in the manner as set out in the New Share Option Scheme by the Grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and, in the event of any alteration to the capital structure of the Company while any Option remains exercisable, receipt of the Auditors' certificate certifying that any such alterations are in their opinion fair and reasonable, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- (2) The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorized share capital of the Company.
- (3) Subject as hereinafter provided, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
 - (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full), he (or his legal representative(s)) may exercise the Option up to the Grantee's entitlement (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;

- (b) in the event that the Grantee ceases to be an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period;
- (c) in the event that the Grantee ceases to be an Executive by reason of his transfer of employment to an Affiliate, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (d) in the event that the Grantee ceases to be an Executive for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to an Affiliate or the termination of his employment with the relevant member of the Group by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the Grantee ceases to be an Executive by reason of the termination of his employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the Executive's Option has lapsed pursuant to this paragraph 9(e) shall be final and conclusive;
- (f) if a Grantee being:
 - (i) an executive Director of the Company ceases to be an Executive but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

- (ii) a non-executive Director of the Company ceases to be a Director:
 - (1) by reason of non-executive Director retirement, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
 - (2) for reasons other than non-executive Director retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(g) if:

- (i) the Board in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
- (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this paragraph 9(g) shall be final and conclusive;

(h) if a Grantee (being a corporation):

- (i) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or
- (ii) has suspended, ceased or threatened to suspend or cease business; or
- (iii) is unable to pay its debts owed to the Group; or
- (iv) otherwise becomes insolvent; or

- (v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
- (vi) commits a breach of any contract entered into between the Grantee or his Associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or on the date of notification by the Company that the said change in constitution, management, Directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this paragraph 9(h) by reason of breach of contract or material change in the constitution, management, Directors or shareholding as aforesaid shall be final and conclusive;

- (i) if a Grantee (being an individual):
 - (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law or has otherwise become insolvent; or
 - (ii) has made any arrangement or composition with his creditors generally; or
 - (iii) has been convicted of any criminal offence involving his integrity or honesty; or
 - (iv) commits a breach of any contract entered into between the Grantee or his Associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this paragraph 9(i) for breach of contract as aforesaid shall be final and conclusive;

- (j) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (k) if a compromise or arrangement between the Company and the Group's members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period;
 - (ii) the period of two months from the date of such notice; or
 - (iii) the date on which such compromise or arrangement is sanctioned by the court,exercise in whole or in part his Option. Except insofar as exercised in accordance with this paragraph 9(k), all Options outstanding at the expiry of the relevant period referred to in this paragraph 9(k) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and
- (l) in the event a notice is given by the Company to the members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which shares are allotted to a Grantee pursuant to the exercise of the Option (“**Allotment Date**”) or, if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Allotment Date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date for such dividend or distribution shall be before the Allotment Date.

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

11. PERIOD OF THE NEW SHARE OPTION SCHEME

Subject to the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on its Adoption Date. Upon the expiry of the New Share Option Scheme as aforesaid, no further options will be offered but the provisions of the New Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme.

12. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 9(3) above;
- (c) subject to paragraph 9(3)(1), the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts;
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in paragraph 9(3)(h) or paragraph 12(d); or

- (f) a bankruptcy order has been made against any director or shareholder of the Grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

13. EFFECT OF ALTERATIONS TO CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization issue, open offer, rights issue, consolidation or sub-division of Shares or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments to be made to: (a) the maximum number of Shares subject to the New Share Option Scheme; and/or (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or (c) the Subscription Price of each outstanding Option.

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

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

The capacity of the Auditors in this paragraph is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to in paragraph 13, the Company shall, upon receipt of a notice from the Grantee in accordance with paragraph 9, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors obtained by the Company for

such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors to issue a certificate in that regard in accordance with the terms in this Schedule.

14. CANCELLATION OF OPTIONS NOT EXERCISED

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the Grantee commits or permits or attempts to commit or permit a breach of paragraph 16 or any terms or conditions attached to the grant of the Option;
- (b) the Grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a Subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

15. TERMINATION

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

16. TRANSFERABILITY

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 (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered), except with the prior written consent of the Board from time to time. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

17. AMENDMENT

The New Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the shareholders of the Company in general meeting, provided always that the amended terms of the Scheme shall comply with the applicable requirements of the Listing Rules: (i) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the New Share Option Scheme); (ii) any alteration to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantee; (iii) any change to the authority of the Board or any person or committee delegated by the Board to administer the day-to-day running of the New Share Option Scheme pursuant to the New Share Option Scheme; and (iv) any alteration to the aforesaid termination provision.

18. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall come into effect on the date (the “**Approval Date**”) on which the following conditions are fulfilled:

- (a) the approval of all the Shareholders of the Company for the adoption of the New Share Option Scheme; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

If the permission referred to in the aforesaid is not granted within two calendar months after the Adoption

Date:

- (a) the New Share Option Scheme will forthwith determine;
- (b) any Option agreed to be granted pursuant to the New Share Option Scheme and any offer of such a grant shall be of no effect;
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any Option; and
- (d) the Board may further discuss and devise another share option scheme that is applicable for adoption by the Company.



卡姆丹克太陽能系統集團有限公司
Comtec Solar Systems Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 712)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Comtec Solar Systems Group Limited (the “**Company**”) will be held at 5/F, BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong at 10:00 a.m. on 31 December 2018 for the purpose of considering, and if thought fit, pass with or without amendments or modifications the following as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

“THAT:

1. conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the new share option scheme, the terms of which are contained in the document produced to the EGM marked “A” and initialed by the chairman of the EGM for the purpose of identification (the “**New Share Option Scheme**”), the New Share Option Scheme be approved and adopted as the new share option scheme of the Company and that the board of directors of the Company be authorized to grant options thereunder and to allot and issue shares pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement the New Share Option Scheme; and
2. the existing share option scheme adopted by the Company on 2 October 2009 (the “**Existing Share Option Scheme**”) be terminated upon the New Share Option Scheme becoming unconditional such that thereafter no further options shall be offered under and/or pursuant to the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect and options granted thereunder prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue.”

By order of the Board of
Comtec Solar Systems Group Limited
John Yi ZHANG
Chairman

Hong Kong, 11 December 2018

NOTICE OF EGM

As at the date of this notice, the directors of the Company are Mr. John Yi ZHANG, Mr. ZHANG Zhen and Mr. CHAU Kwok Keung; the non-executive Director is Mr. WANG Yixin; and the independent non-executive Directors are Mr. Kang SUN, Mr. LEUNG Ming Shu and Mr. XU Erming.

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Suite 33
35/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order 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 notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.
3. In the case of joint holders of a share, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The transfer books and register of members of the Company will be closed 27 December 2018 to 31 December 2018, both dates inclusive, for the purpose of determining shareholders' entitlements to attend and vote at the EGM. In order to qualify for the right to attend and vote at the EGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24 December 2018.