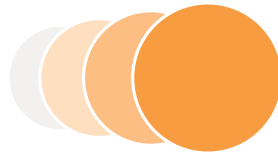

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Golden Solar New Energy Technology Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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GOLDEN SOLAR

GOLDEN SOLAR NEW ENERGY TECHNOLOGY HOLDINGS LIMITED

金陽新能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1121)

**(1) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at 20/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 16 June 2023 at 3:00 p.m. (or immediately after the conclusion of the AGM to be held at the same venue and on the same day, or any adjournment thereof) is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time appointed for holding the extraordinary general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire.

1 June 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I – Summary of Principal Terms of the New Share Option Scheme	I-1
Notice of EGM	EGM-1

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional
“AGM”	the annual general meeting of the Company to be held at 20/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 16 June 2023 at 2:30 p.m., or any adjournment thereof
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning as defined in 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 listed thereon
“close associate(s)”	has the meaning as defined in the Listing Rules
“Company”	Golden Solar New Energy Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1121)
“connected person(s)”	has the meaning as defined in the Listing Rules
“core connected person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 20/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 16 June 2023 at 3:00 p.m. (or immediately after the conclusion of the AGM to be held at the same venue and on the same day, or any adjournment thereof) to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof

DEFINITIONS

“Eligible Participants”	<p>(a) the Employee Participant(s);</p> <p>(b) the Related Entity Participant(s); and</p> <p>(c) the Service Provider(s),</p> <p>provided that the Board may have absolute discretion to determine whether or not one falls within the above category</p>
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group)
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 2 July 2021
“Expired Share Option Scheme”	the share option scheme adopted by the Company on 8 January 2011, which was refreshed on 29 February 2016, 9 October 2017 and 10 June 2019 and expired on 27 January 2021
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme or his Personal Representative
“Group”	the Company and its subsidiaries, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Latest Practicable Date”	30 May 2023, being the latest practicable date for ascertaining certain information contained in this circular

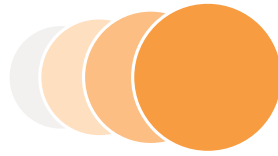
DEFINITIONS

“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant(s)
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) granted under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China
“Related Entity Participant(s)”	directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company

DEFINITIONS

“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



GOLDEN SOLAR

GOLDEN SOLAR NEW ENERGY TECHNOLOGY HOLDINGS LIMITED
金陽新能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1121)

Executive Directors:

Mr. LEUNG Tsz Chung (*Chairman*)
Mr. ZHENG Jingdong

Non-executive Director:

Ms. LIN Weihuan

Independent non-executive Directors:

Professor ZHAO Jinbao
Mr. CHEN Shaohua
Ms. AN Na

Registered office:

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

Head Office in the PRC:

Huoju Industrial Zone
Jiangnan Town
Licheng District
Quanzhou City
Fujian Province
PRC

Principal Place of Business in Hong Kong:

Room 504, 5/F
OfficePlus @Sheung Wan
93-103 Wing Lok Street
Sheung Wan
Hong Kong

1 June 2023

To the Shareholders

Dear Sir or Madam,

**(1) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to (i) provide you with details regarding the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and (ii) give you notice of the EGM.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Expired Share Option Scheme and the Existing Share Option Scheme

The Expired Share Option Scheme expired on 27 January 2021. Pursuant to a resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 29 June 2021, the Company adopted the Existing Share Option Scheme on 2 July 2021. Under the Existing Share Option Scheme, the Board may offer options to the eligible participants prescribed in the Existing Share Option Scheme at its discretion.

As at the date of adoption of the Existing Share Option Scheme on 2 July 2021, the total number of issued Shares was 1,652,695,608 Shares. Pursuant to the Listing Rules and the Existing Share Option Scheme, the total number of Shares which may fall to be issued upon exercise of all share options to be granted under the Existing Share Option Scheme was 165,269,560, representing 10% of the then total number of issued Shares as at the date of adoption of the Existing Share Option Scheme on 2 July 2021 and the maximum number of Shares that might be issued upon the exercise of all share options under the Existing Share Option Scheme or other schemes (the “**Existing Scheme Mandate Limit**”).

As at the Latest Practicable Date, there were 111,000,000 share options and 161,940,000 share options granted under the Expired Share Option Scheme and the Existing Share Option Scheme, respectively, which remain outstanding or unexercised. Details of the outstanding or unexercised share options under the Expired Share Option Scheme are as follows:

Name or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period*	Exercise price per Share (HK\$)	Note
Employees	22/10/2020	50,400,000	A	0.55	a
	22/10/2020	33,600,000	B	0.55	b

LETTER FROM THE BOARD

Name or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period*	Exercise price per Share (HK\$)	<i>Note</i>
Consultants					
Lin Tingyu	22/10/2020	8,400,000	A	0.55	
	22/10/2020	5,600,000	B	0.55	
Lu Tianxiang	22/10/2020	7,800,000	A	0.55	
	22/10/2020	5,200,000	B	0.55	
Total		111,000,000			

Notes:

A. *From 22 October 2020 to 21 October 2025; and*

B. *From 22 October 2021 to 21 October 2025.*

* *The vesting period of the share options is from the date of grant until the commencement of the exercise period.*

a. *8,400,000 share options were granted to Dr. Xu Zhi (“**Dr. Xu**”) who was an executive Director and resigned on 17 October 2022 but continued to be an employee of the Group.*

b. *5,600,000 share options were granted to Dr. Xu who was an executive Director and resigned on 17 October 2022 but continued to be an employee of the Group.*

LETTER FROM THE BOARD

Details of the outstanding or unexercised share options under the Existing Share Option Scheme are as follows:

Name or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period*	Exercise price per Share (HK\$)
Executive Directors				
ZHENG Jingdong	21/1/2022	2,000,000	A	9.62
	21/1/2022	2,000,000	B	9.62
	21/1/2022	2,000,000	C	9.62
	21/1/2022	2,000,000	D	9.62
LEUNG Tsz Chung	21/1/2022	750,000	A	9.62
	21/1/2022	750,000	B	9.62
	21/1/2022	750,000	C	9.62
	21/1/2022	750,000	D	9.62
	12/4/2023	750,000	F	7.15
	12/4/2023	750,000	G	7.15
	12/4/2023	750,000	H	7.15
12/4/2023	750,000	I	7.15	
Non-executive Director				
LIN Weihuan	21/1/2022	250,000	A	9.62
	21/1/2022	250,000	B	9.62
	21/1/2022	250,000	C	9.62
	21/1/2022	250,000	D	9.62
Chief Executive Officer				
HE Shuangquan	12/4/2023	4,250,000	F	7.15
	12/4/2023	4,250,000	G	7.15
	12/4/2023	4,250,000	H	7.15
	12/4/2023	4,250,000	I	7.15

LETTER FROM THE BOARD

Name or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period*	Exercise price per Share (HK\$)
Employees	21/1/2022	14,007,600	E	9.62
	21/1/2022	13,186,900	A	9.62
	21/1/2022	3,848,500	B	9.62
	21/1/2022	3,848,500	C	9.62
	21/1/2022	3,848,500	D	9.62
	12/4/2023	43,350,000	F	7.15
	12/4/2023	29,750,000	G	7.15
	12/4/2023	2,550,000	H	7.15
	12/4/2023	2,550,000	I	7.15
Service Providers				
Deng Yuxuan Waters	12/4/2023	250,000	F	7.15
	12/4/2023	250,000	G	7.15
	12/4/2023	250,000	H	7.15
	12/4/2023	250,000	I	7.15
Shek Lung Kei Amos	12/4/2023	1,250,000	F	7.15
	12/4/2023	1,250,000	G	7.15
	12/4/2023	1,250,000	H	7.15
	12/4/2023	1,250,000	I	7.15
Minowa Hiroyuki	12/4/2023	250,000	F	7.15
	12/4/2023	250,000	G	7.15
	12/4/2023	250,000	H	7.15
	12/4/2023	250,000	I	7.15
Soon Wai Kiat Michael	12/4/2023	375,000	F	7.15
	12/4/2023	375,000	G	7.15
	12/4/2023	375,000	H	7.15
	12/4/2023	375,000	I	7.15
Hung Shui Yee	12/4/2023	375,000	F	7.15
	12/4/2023	375,000	G	7.15
	12/4/2023	375,000	H	7.15
	12/4/2023	375,000	I	7.15

LETTER FROM THE BOARD

Name or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period*	Exercise price per Share (HK\$)
Fu Jianming	12/4/2023	250,000	F	7.15
	12/4/2023	250,000	G	7.15
	12/4/2023	250,000	H	7.15
	12/4/2023	250,000	I	7.15
Su Weibin	12/4/2023	250,000	F	7.15
	12/4/2023	250,000	G	7.15
	12/4/2023	250,000	H	7.15
	12/4/2023	250,000	I	7.15
Wu Mingqin	12/4/2023	250,000	F	7.15
	12/4/2023	250,000	G	7.15
	12/4/2023	250,000	H	7.15
	12/4/2023	250,000	I	7.15
Total		161,940,000		

Notes:

- A. *From 21 January 2023 to 20 January 2027;*
- B. *From 21 January 2024 to 20 January 2027;*
- C. *From 21 January 2025 to 20 January 2027;*
- D. *From 21 January 2026 to 20 January 2027;*
- E. *From 21 January 2022 to 20 January 2027;*
- F. *From 12 April 2024 to 11 April 2028;*
- G. *From 12 April 2025 to 11 April 2028;*
- H. *From 12 April 2026 to 11 April 2028; and*
- I. *From 12 April 2027 to 11 April 2028.*

* *The vesting period of the share options is from the date of grant until the commencement of the exercise period.*

LETTER FROM THE BOARD

Adoption of the New Share Option Scheme

As at the Latest Practicable Date, the Company had utilised approximately 97.99% of the Existing Scheme Mandate Limit. In view of the limited number of Shares available under the Existing Scheme Mandate Limit and the amendments to Chapter 17 of the Listing Rules, which took effect on 1 January 2023, the Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in its long-term planning of the granting of the Options to Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company which will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Providers.

In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (d) the amount of support, assistance, guidance, advice, effort and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

LETTER FROM THE BOARD

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings with the Group, in particular, whether such Service Providers could bring a positive impact to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

Set out below are the detailed descriptions of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme.

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Distributor	<p>Service Providers under this category include distributors of:</p> <ul style="list-style-type: none"> (a) slippers, sandals and casual footwear; (b) graphene-based products; and (c) photovoltaic products, <p>who/which support the Group's business of the manufacturing, sales and trading of the aforementioned products across the Group's product markets.</p>	<p>The Board will take into account, amongst others:</p> <ul style="list-style-type: none"> (a) the monthly average number of products distributed by the relevant distributor in comparison to the total number of products sold within such month; (b) the value of the products distributed by the relevant distributor in comparison to the total revenue of each product sold within such month; (c) the distribution network of the relevant distributor in each of the Group's geographical markets; (d) the frequency of collaboration within each contract term and length of business relationship with the Group; (e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (f) the background, reputation and track record of the relevant distributor within its geographical market and/or industry; (g) the replacement cost of such distributor and/or products or materials (including continuity and stability of distribution of such products or materials); and

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Supplier	Service Providers under this category include suppliers of services who/which support the Group's businesses of:	<p>(h) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.</p> <p>The Board will take into account, amongst others:</p> <p>(a) the nature, reliability and quality of the services supplied in relation to the Group's businesses as set out herein;</p> <p>(b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses as set out herein;</p> <p>(c) the frequency of collaboration within each contract term and length of business relationship with the Group;</p>
	<p>(a) the manufacturing, sales and trading of slippers, sandals, casual footwear and graphene-based products;</p> <p>(b) the manufacturing and sales of photovoltaic products;</p> <p>(c) provision of services in relation to graphene-based products and photovoltaic products; and/or</p>	

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
	(d) provision of technology licensing services.	(d) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
Contractor, agent, consultant and adviser	<p>Service Providers under this category include independent contractors, agents, consultants and advisers who provided:</p> <ul style="list-style-type: none"> (a) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (b) legal related services; (c) marketing and sales services across the Group's product markets in respect of the Group's products as set out above; (d) technical services; (e) equipment technology services in relation to the manufacturing of the Group's products; (f) production technology services; (g) operation management consulting services; and/or (h) product design services. 	<p>The Board will take into account, amongst others:</p> <ul style="list-style-type: none"> (a) the individual performance of the relevant contractor, agent, consultant and/or adviser based on specific criteria determined by the Board from time to time; (b) their knowledge, experience and network in the relevant industry; (c) the frequency of collaboration within each contract term and length of their business relationship with the Group; (d) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);

LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
	<p>The above services are provided in areas relating to the Group's principal business activities in (i) the manufacturing, sales and trading of slippers, sandals, casual footwear and graphene-based products; (ii) the manufacturing and sales of photovoltaic products; (iii) provision of services in relation to graphene-based products and photovoltaic products; and/or (iv) provision of technology licensing services, and/or in areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.</p>	<p>(f) the background, credentials and experiences of the relevant contractor, agent, consultant and/or adviser;</p> <p>(g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, agent, consultant and/or adviser; and</p> <p>(h) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.</p>

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the business conducted by the Group of which is in a revenue generating nature.

LETTER FROM THE BOARD

The scope of the Eligible Participants is not limited to the employees and directors of the Group, as the Company considers and recognises that there are circumstances where Service Providers would make contributions to the Group. As the purpose of the New Share Option Scheme is to recognise the contributions made and to be made to the growth and development of the Group, the Company is of the view that a wider scope of Eligible Participants will allow for flexibility to provide incentives to those Eligible Participants who will contribute to the Group. In particular, consultants and advisers of the Group may provide valuable advice and professional services to the Group and thus may be eligible to the grant of Options in light of such advice and/or services. Given the eligibility criteria of the Eligible Participants, the Company will not grant Options to persons who would not or may not contribute to the Group.

Having taken into account the fact that (a) the proposed categories of Service Providers are in line with the Group's business needs; (b) certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, whom provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; (c) recognising the contributions of the Service Providers may enhance their performance and further their contributions to the Group; and (d) the contributions of the Service Providers are invaluable and essential to the sustainable and successful development of the Group, the Board (including the Independent non-executive Directors) is of the view that the inclusion of the Service Providers as Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme.

The Company has sought legal advice from its legal advisers in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

Based on the above, the Board considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

LETTER FROM THE BOARD

Conditions Precedent of the New Share Option Scheme

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

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board may at its discretion and on a case by case basis specify any condition in the offer letter of the grant of the relevant Option which must be satisfied before an Option may be exercised including (without prejudice to the generality of the foregoing):

- (a) the continuing eligibility of the Grantee under the New Share Option Scheme, and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent not already exercised) shall lapse, subject to the requirements of the New Share Option Scheme;
- (b) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of the New Share Option Scheme;
- (c) conditions, restrictions or limitations relating to the achievement of operating or financial targets before an Option can be exercised;
- (d) if applicable, the satisfactory performance of certain obligations by the Grantee; and
- (e) clawback mechanism for the Company to recover or withhold any Options granted to any Grantee, whether in the event of serious misconduct of the Grantee, a material misstatement in the Company's financial statements or other circumstances.

LETTER FROM THE BOARD

Save as determined by the Board on a case by case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, the New Share Option Scheme does not stipulate a minimum period for which an Option must be held, or any performance targets a Grantee is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant as each Grantee will play a different role and contribute in different ways to the long-term development of the Group. As such, providing the Board with the discretion to impose specific performance targets as and when appropriate depending on the role of each Eligible Participant will facilitate the Board in offering meaningful incentives to attract and retain quality and high calibre personnel that are valuable to the development of the Group.

Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).

As at the Latest Practicable Date, the number of issued Shares was 1,815,659,608 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 181,565,960 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the New Share Option Scheme.

The sublimit on the total number of Shares which may be issued in respect of all Options to be granted to Service Providers (the “**Service Provider Sublimit**”) under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company will be 54,469,788 Shares, being 3% of the total number of Shares in issue on the date of approval of the New Share Option Scheme.

LETTER FROM THE BOARD

The basis for determining the Service Provider Sublimit takes into account the potential dilution effect arising from grants to Service Providers, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers and the extent of contributions of the Service Provider to the Group's business. Considering that (a) the sublimit of 3% would not lead to excessive dilution of the existing Shareholders' shareholdings; (b) there is no other share schemes involving a grant of options over new Shares of the Company; (c) the historical practice of the Group in granting options to the Service Providers whom provide services akin to employees of the Group; and (d) the Service Providers have contributed to the long-term growth of the Company's business, and that the New Share Option Scheme could incentivise Service Providers whom/which supply reliable and high-quality services to the Group on a long-term basis, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

Furthermore, the Directors are of the view that the Service Provider Sublimit is in line with the Company's business needs and the nature of the Company's operations as the Company (i) intends to expand its production, equipment and products development and research and development related technical services operations; (ii) intends to broaden the sales and marketing of the Group's products to overseas markets, such as the United States and Europe; (iii) requires operations management consulting services to further the Group's operations; and (iv) requires further assistance in the Group's legal and financial matters. In order to achieve the aforementioned, the Company will require expansive networks and connections to retain high calibre individuals across such new target markets and industries. The Service Provider Sublimit will provide the Company with greater flexibility to grant Options to a wider network of Service Providers, act as an incentive to attract high performing individuals to join the Group and will promote the purpose of the New Share Option Scheme.

The Company has also had a history of granting Options to Service Providers whom, amongst others, have provided (i) overseas marketing and sales services for the graphene business; (ii) marketing and sales services for the solar energy business in Japan; (iii) technical services for the solar energy and graphene business; (iv) overseas marketing and sales services for the solar energy business; (v) finance and accounting services which excluded advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (vi) equipment technology services; (vii) legal related services; (viii) product design services and (ix) production technology services to the Group. Through granting Options to Service Providers under the Expired Share Option Scheme and the Existing Share Option Scheme, the Board has continually recognised the contributions of and value brought to the Group by such Service Providers in various aspects of the Group's operations and principal businesses, which has supported the long-term development of the Group. Hence, the Directors are of the view that the Service Provider Sublimit, which extends to distributors, suppliers, contractors, agents, consultants and advisers of the Group under the New Share Option Scheme, is in line with the Company's history of granting Options and will continue to facilitate the Company in attracting high performing personnel to the Group whom will contribute and provide long-term growth and support to the Group.

LETTER FROM THE BOARD

The Service Provider Sublimit is subject to separate approval by the Shareholders at the EGM.

None of the Directors is and will be trustees of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the EGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

Explanation of the terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

Save for the circumstances prescribed in paragraph 5 of Appendix I to this circular, the vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of this New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Options holder(s), such as those set out in paragraphs 5(a) to (c) of Appendix I to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

LETTER FROM THE BOARD

As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 5 of Appendix I to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

The Board is of the view that subject to the Listing Rules and the rules of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, (a) determining the eligibility of the Eligible Participants and the exercise price; (b) prescribing a vesting period before Options can be exercised; (c) requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option(s) before his or her Option(s) can be exercised; and/or (d) setting any clawback mechanism for the Company to recover or withhold any Option(s) granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentives in achieving the goals of the Group, and thereby, to achieve the overall purpose of the New Share Option Scheme. The Company will make relevant disclosures by way of announcement(s) as and when necessary to comply with Rules 17.06B(7) and (8) of the Listing Rules when granting the Options to the Eligible Participants in the future.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Option(s) that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option(s) cannot be determined. The variables which are critical for the determination of the value of such Option(s) include the Subscription Price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holder(s) of the Option(s). Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

Document on display

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.goldensolargroup.com for a period of not less than 14 days before the date of the EGM and is also made available for inspection at the EGM.

LETTER FROM THE BOARD

Application for Listing

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

Competing Interest

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

EGM

A notice convening the EGM to be held at 20/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 16 June 2023 at 3:00 p.m. (or immediately after the conclusion of the AGM to be held at the same venue and on the same day, or any adjournment thereof) is set out on pages EGM-1 to EGM-3 of this circular for the purpose of, considering and, if thought fit, passing the resolutions set out therein. Under Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the EGM must be taken by poll.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time appointed for holding the EGM or any adjournment. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM, or any adjourned meeting thereof should you so desire.

RECOMMENDATION

The Directors consider that the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the EGM Notice at the EGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

As notified in the AGM circular of the Company dated 28 April 2023, for the purpose of determining Shareholders' entitlements to attend and vote at the AGM (which will also apply to the EGM), the transfer books and the register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to establish 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 and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 12 June 2023.

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.

On behalf of the Board

Golden Solar New Energy Technology Holdings Limited

Leung Tsz Chung

Chairman

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company which will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (a) interpret and construe the provisions of the New Share Option Scheme; (b) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the Subscription Price, in relation to such Options; (c) make such appropriate and equitable adjustments to the terms of the Options granted under the New Share Option Scheme as it may deem necessary; and (d) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME

Eligible Participants for the New Share Option Scheme include:

- (a) Employee Participant(s) which include the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group);

- (b) Related Entity Participant(s) which include directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company; and
- (c) Service Provider(s) which include person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate includes: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (a) the individual performance of the relevant Service Providers; (b) the length of their business relationship with the Group; (c) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (d) the materiality and nature of their business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, credentials and experiences of the relevant Service Providers; (f) the scale of business dealings with the Group, in particular, whether such Service Providers could bring a positive impact to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (g) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

(1) Distributor

Service Providers under this category include distributors of (a) slippers, sandals and casual footwear; (b) graphene-based products; and (c) photovoltaic products, who/which support the Group's business of the manufacturing, sales and trading of the aforementioned products across the Group's product markets.

The Board will take into account, amongst others, (a) the monthly average number of products distributed by the relevant distributor in comparison to the total number of products sold within such month; (b) the value of the products distributed by the relevant distributor in comparison to the total revenue of each product sold within such month; (c) the distribution network of the relevant distributor in each of the Group's geographical markets; (d) the frequency of collaboration within each contract term and length of business relationship with the Group; (e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (f) the background, reputation and track record of the relevant distributor within its geographical market and/or industry; (g) the replacement cost of such distributor and/or products or materials (including continuity and stability of distribution of such products or materials); and (h) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.

(2) Supplier

Service Providers under this category include suppliers of services who/which support the Group's businesses of (a) the manufacturing, sales and trading of slippers, sandals, casual footwear and graphene-based products; (b) the manufacturing and sales of photovoltaic products; (c) provision of services in relation to graphene-based products and photovoltaic products; and/or (d) provision of technology licensing services.

The Board will take into account, amongst others, (a) the nature, reliability and quality of the services supplied in relation to the Group's businesses; (b) the value of the services provided by the relevant supplier in relation to the revenue generated from the Group's businesses; (c) the frequency of collaboration within each contract term and length of business relationship with the Group; (d) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (e) the background, reputation and track record of the relevant supplier within its geographical market and/or industry; (f) the replacement cost of such supplier and/or the services (including continuity and stability of supply or provision of such services); and (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impact to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by products and/or services using the services supplied and/or provided by such supplier.

(3) Contractor, agent, consultant and advisor

Service Providers under this category include independent contractors, agents, consultants and advisers who provided (a) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (b) legal related services; (c) marketing and sales services across the Group's product markets in respect of the Group's products; (d) technical services; (e) equipment technology services in relation to the manufacturing of the Group's products; (f) production technology services; (g) operation management consulting services; and/or (h) product design services, in areas relating to the Group's principal business activities in (i) the manufacturing, sales and trading of slippers, sandals, casual footwear and graphene-based products; (ii) the manufacturing and sales of photovoltaic products; (iii) provision of services in relation to graphene-based products and photovoltaic products; and/or (iv) provision of technology licensing services, and/or in areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will take into account, amongst others, (a) the individual performance of the relevant contractor, agent, consultant and/or adviser based on specific criteria determined by the Board from time to time; (b) their knowledge, experience and network in the relevant industry; (c) the frequency of collaboration within each contract term and length of their business relationship with the Group; (d) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (e) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (f) the background, credentials and experiences of the relevant contractor, agent, consultant and/or adviser; (g) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, agent, consultant and/or adviser; and (h) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, agent, consultant and/or adviser, and/or the synergy between the relevant contractor, agent, consultant and/or adviser and the Group.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the business conducted by the Group of which is in a revenue generating nature.

4. GRANT AND ACCEPTANCE OF OPTIONS

The Board shall, subject to the terms of the New Share Option Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to paragraph 7 below, determine the Subscription Price pursuant to paragraph 6 below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant 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 Participant concerned (and by no other person, including his or her Personal Representative(s) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, 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.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

5. VESTING PERIOD

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out-of-control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons had to wait for the subsequent batch. In such case, the Vesting Period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company’s auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in paragraph 23 of the New Share Option Scheme.

The Subscription Price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share on the Offer Date.

Where a relevant Option is to be granted under paragraph 8 or 9, for the purposes of the above (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to the Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (c) and (d) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equivalent to 3% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (i.e. the Service Provider Sublimit).

- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules and any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting.
- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates.

9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Subscription Price) of

Options to be granted to such Eligible 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 Subscription Price.

10. TIME OF EXERCISE OF OPTIONS

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

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Furthermore, save for the clawback mechanisms in the event where (i) an Option is sold, transferred, charged, mortgaged, encumbered or any interest is created or an agreement to create any interest in favour of any third party is entered into; (ii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reasons set out in paragraph 13 of the New Share Option Scheme; (iii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of his or her death as set out in paragraph 14 of the New Share Option Scheme; (iv) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as set out in paragraph 15 of the New Share Option Scheme; (v) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than as set out in paragraphs 13 to 15 of the New Share Option Scheme; and (vi) the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant due to a breach of contract under the reasons set out in paragraph 17 of the New Share Option Scheme, there is no clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of Options may not be made:

- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules)

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

12. RIGHTS ARE PERSONAL TO GRANTEES

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

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

If the Grantee of an Option is an employee or a director of the Group and ceases to be an Eligible Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or 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 into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

14. RIGHTS ON DEATH

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph 13 above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs 18 to 20 respectively.

15. RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, he or she may exercise the Option pursuant to paragraphs 18 to 20 respectively.

16. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs 13 to 15 above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment with the Group.

17. RIGHTS ON BREACH OF CONTRACT

If the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant by reason of breach of contract entered into between such Service Provider and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, 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 into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

Note: Paragraphs 13, 15 and 16 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

18. RIGHTS ON A GENERAL OFFER

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

19. RIGHTS ON WINDING UP

In the event a notice is given by the Company to its Shareholders to convene an extraordinary general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and each Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Subscription Price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or 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 date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”), accompanied by a remittance of the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

Note: Where any event under paragraphs 14, 18, 19 and 20 applies, no such Shares shall be allotted and issued to a Grantee who is not an employee or a director of the Group in respect of any Options granted within twelve (12) months.

21. CANCELLATION OF OPTIONS

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

22. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares subject to the New Share Option Scheme or any Option so far as such Option remains unexercised; and/or (ii) the Subscription Price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable (other than in the case of capitalisation issue), provided that any such adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he or she would have been entitled to subscribe had he or she exercised all the Options held by him or her immediately prior to such event and the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and the issue of securities of the Company for cash (save and except for rights issue) or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

24. DURATION OF THE NEW SHARE OPTION SCHEME

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

25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board.

- (a) The provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

26. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

27. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph 12;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs 13 to 20; and
- (d) the date of the commencement of the winding-up of the Company.

28. TERMINATION

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

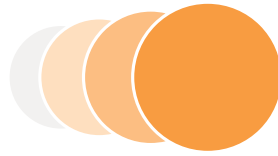
29. MISCELLANEOUS

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

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

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph 22 above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

NOTICE OF EGM



GOLDEN SOLAR

GOLDEN SOLAR NEW ENERGY TECHNOLOGY HOLDINGS LIMITED

金陽新能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1121)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Golden Solar New Energy Technology Holdings Limited (the “**Company**”) will be held on Friday, 16 June 2023 at 3:00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same day, or any adjournment thereof) at 20/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors (the “**Directors**”) of the Company be and are hereby authorised to grant options to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme;

NOTICE OF EGM

- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution; and
- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 2 July 2021 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”
2. “**THAT** conditional upon the New Share Option Scheme of the Company being approved and adopted by way of ordinary resolution of the Company numbered 1 above, the sublimit on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company of 3 per cent. of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”

On behalf of the Board
Golden Solar New Energy Technology Holdings Limited
Leung Tsz Chung
Chairman

Hong Kong, 1 June 2023

As at the date of this notice, the executive Directors are Mr. Leung Tsz Chung and Mr. Zheng Jingdong; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Professor Zhao Jinbao, Mr. Chen Shaohua and Ms. An Na.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

NOTICE OF EGM

3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 3:00 p.m. on Wednesday, 14 June 2023) before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, 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 the 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.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so desire and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. For the purpose of determining shareholders' entitlements to attend and vote at the Meeting, the transfer books and the register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 12 June 2023.
8. Details of the summary of the principal terms of the New Share Option Scheme are set out in Appendix I to this circular.
9. If tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or after 10:00 a.m. on Friday, 16 June 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.