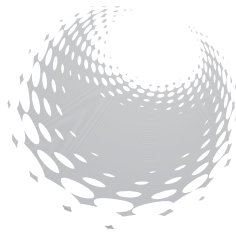

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sun.King Power Electronics Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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Sun.King Power Electronics Group Limited

賽晶電力電子集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 580)

**DECLARATION OF FINAL DIVIDEND,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Sun.King Power Electronics Group Limited to be held at Meeting Room IX, Crowne Plaza Beijing International Airport, 60 Fuqian 1 Street, Tianzhu, Shunyi District, Beijing, People's Republic of China on Wednesday, 10 May 2017 at 10:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. Whether or not you intend to attend the annual general meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and deliver it and (if required by the board of directors of Sun.King Power Electronics Group Limited) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, to the Hong Kong branch share registrar of Sun.King Power Electronics Group Limited, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof at which the person named in the form of proxy proposes to vote. Delivery of the form of proxy shall not preclude a shareholder of Sun.King Power Electronics Group Limited from attending and voting in person at the annual general meeting and in such event, the form of proxy shall be deemed to be revoked.

24 March 2017

DEFINITIONS

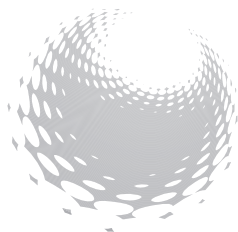
In this circular, unless the context otherwise requires, the following expressions shall have the followings meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room IX, Crowne Plaza Beijing International Airport, 60 Fuqian 1 Street, Tianzhu, Shunyi District, Beijing, PRC on Wednesday, 10 May 2017 at 10:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Sun.King Power Electronics Group Limited (賽晶電力電子集團有限公司), an exempted company incorporated on 19 March 2010 with limited liability under the laws of the Cayman Islands, the issued shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of the issued shares of the Company as at the date of passing the relevant resolution granting such general mandate
“Latest Practicable Date”	17 March 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out on pages 15 to 19 of this circular
“PRC”	The People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of the issued shares of the Company as at the date of passing the relevant resolution granting such general mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted or to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted 23 September 2010
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

LETTER FROM THE BOARD



Sun.King Power Electronics Group Limited

賽晶電力電子集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 580)

Executive Directors:

Mr. Xiang Jie
Mr. Gong Renyuan
Mr. Yue Zhoumin

Independent non-executive Directors:

Mr. Chen Shimin
Mr. Zhang Xuejun
Mr. Leung Ming Shu

Registered office:

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

Headquarters:

Building 9-A
KongGangRongHuiYuan
Yuhua Road
Tianzhu Airport Industrial Zone B
Shunyi District
Beijing
PRC

Principal place of business

in Hong Kong:

36th Floor, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

24 March 2017

To the Shareholders

Dear Sir or Madam,

**DECLARATION OF FINAL DIVIDEND,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you further information in relation to, inter alia, the following proposals to be put forward at the Annual General Meeting: (a) the declaration of final dividend; (b) the grant to the Directors of the Issue Mandate and the Repurchase Mandate; and (c) the re-election of the retiring Directors.

LETTER FROM THE BOARD

DECLARATION OF FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of HK1.5 cent per Share for the year ended 31 December 2016 out of the share premium account of the Company. Conditional upon the passing of ordinary resolution numbered 2 by the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 25 May 2017 to Friday, 26 May 2017, both dates inclusive, during which period no transfer of Shares will be registered and the final dividend is expected to be paid on or around Thursday, 15 June 2017 to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 26 May 2017.

Under section 34(2) of the Companies Law, the share premium account may be applied by a company in paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to payment of the final dividends out of share premium account, the Company shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the final dividend is proposed to be paid.

The final dividends are intended to be paid out entirely of the share premium account pursuant to article 134 of the Articles of Association and in accordance with the Companies Law. As at 31 December 2016, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the share premium account was RMB418,092,000. The Board proposed to use an amount of RMB18,642,000 standing to the credit of the share premium account for the payment of the final dividends. Following such payment there will be a remaining balance of RMB399,450,000 standing to the credit of the share premium account.

Reasons for the payment of final dividends out of the share premium account

The Board considers it unnecessary to maintain the share premium account at its current level. The Directors consider that the declaration and proposed payment of the final dividends out of the share premium account is in the interests of the Company and its Shareholders as a whole.

Effect of the payment of final dividends out of the share premium account

The payment of the final dividends out of the share premium account does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

The payment of the final dividends out of share premium account will not affect the underlying business, operations or management of the Company or the proportionate interests of the Shareholders, other than related expenses incurred which are immaterial.

LETTER FROM THE BOARD

Save as the aforesaid expenses, the Directors consider that the payment of final dividends out of share premium account will not have a material adverse effect on the financial position of the Company.

The payment of the final dividends out of the share premium account is conditional upon, inter alia, the following being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders to approve the payment of the final dividends out of the share premium account; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately after the final dividends are paid will be, unable to pay its liabilities as they become due in the ordinary course of business.

In order to establish the identity of the Shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 24 May 2017.

ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Share, ordinary resolution numbered 5(a) will be proposed at the Annual General Meeting to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares up to 20% of the number of the issued shares of the Company as at the date of passing the resolution in relation to the Issue Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,395,953,500 Shares. Subject to the passing of ordinary resolution numbered 5(a) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be authorised to allot and issue a maximum of 279,190,700 Shares under the Issue Mandate.

In addition, subject to a separate approval of ordinary resolution numbered 5(c), the number of Shares purchased by the Company under ordinary resolution numbered 5(b) will also be added to extend the 20% limit of the Issue Mandate as mentioned in ordinary resolution numbered 5(a) provided that such additional amount shall not exceed 10% of the number of the shares of the Company in issue as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate. The Directors have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the grant of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of the issued shares of the Company as at the date of passing the resolution in relation to the Repurchase Mandate.

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all reasonably necessary information to enable the Shareholders to make an informed decision as to whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with articles 83(3) and 84(1) of the Articles of Association, Mr. Yue Zhoumin, Mr. Chen Shimin, Mr. Zhang Xuejun and Mr. Leung Ming Shu will retire by rotation and be eligible to offer themselves for re-election as the Directors at the Annual General Meeting.

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

Set out from pages 15 to 19 of this circular is the Notice of Annual General Meeting containing, inter alia, the resolutions in relation to approving the declaration of final dividend, granting the Directors the Issue Mandate and the Repurchase Mandate, approving the re-election of the retiring Directors.

FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed herewith. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and deliver it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof at which the person named in the form of proxy proposes to vote. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and in such event, the form of proxy shall be deemed to be revoked.

VOTING

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles of Association, a resolution put to the vote of a general meeting is to be decided by way of a poll.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed resolutions for approving the declaration of final dividend, granting the Directors the Issue Mandate and the Repurchase Mandate and approving the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully

By order of the Board

Sun.King Power Electronics Group Limited

Xiang Jie

Chairman

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting.

Save as disclosed herein:

- (a) none of the following Directors had any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date;
- (b) none of the following Directors held any other position with the Company or any other member of the Group, nor has any directorship in other listed companies in the past three years from the Latest Practicable Date;
- (c) none of the following Directors had any relationship with any other Director, senior management personnel, Substantial Shareholders or controlling shareholders (as defined in the Listing Rules) of the Company at the Latest Practicable Date; and
- (d) there was no other matter relating to the following Directors which needed to be brought to the attention of the Shareholders and there was no other information relating to the following Directors which was required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Yue Zhoumin

Mr. Yue Zhoumin, aged 46, is an executive Director and a vice president of the Group. Mr. Yue joined the Group in 2009. Mr. Yue is primarily responsible for the strategic planning and development of the Group. Mr. Yue graduated from the Shanghai Maritime University (上海海事大學) in the PRC with a bachelor's degree in economics in 1994. Mr. Yue has extensive experience in corporate project management and fund raising in the capital market. Mr. Yue is highly experienced in strategic management and has worked in the strategy division of China COSCO Holdings Company Limited, a company listed on the Stock Exchange (stock code: 1919).

As at the Latest Practicable Date, Mr. Yue had interest of 4,000,000 Shares and 4,020,000 Share Options.

Mr. Yue has entered into a service contract with the Company (which was supplemented by a supplemental agreement dated 1 June 2012) for a term of three years commencing on the listing of the Company's shares on the Stock Exchange, i.e. 13 October 2010. Subsequently, Mr. Yue has entered into a supplemental letter of appointment for a term of three years commencing from 28 May 2014 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Yue is entitled to receive an annual remuneration of RMB420,000 and annual allowance of HK\$100,000. The amount of emoluments is determined by the Board with reference to his experience, duties, responsibilities and the Company's policy.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Chen Shimin

Mr. Chen Shimin, aged 58, joined the Group as an independent non-executive Director in August 2010. Mr. Chen is a certified management accountant registered in the United States, a member of the Institute of Management Accountants of the United States and the American Accounting Association of the United States. Mr. Chen graduated from the Shanghai University of Finance and Economics (上海財經大學) in the PRC with a bachelor's degree and a master's degree in economics in 1983 and 1985, respectively. Mr. Chen then obtained a doctoral degree in philosophy from the University of Georgia in the United States in 1992. Mr. Chen is a professor of accounting, a director (主任) of the master's degree programme of business administration and a deputy registrar (副教務長) at China Europe International Business School (中歐國際工商學院) in the PRC. Mr. Chen has extensive research experience in domestic and overseas financial accounting and management accounting, and teaching experience in numerous well-known universities. Mr. Chen is an independent non-executive director of China High Speed Transmission Equipment Group Co., Ltd. (中國高速傳動設備集團有限公司), being a company listed on the Stock Exchange (stock code: 658), Shanghai Oriental Pearl (Group) Co., Ltd. (上海東方明珠(集團)股份有限公司), being a company listed on the Shanghai Stock Exchange (stock code: 600832), Huafa Industrial Co., Ltd. Zhuhai (珠海華發實業股份有限公司), being a company listed on the Shanghai Stock Exchange (stock code: 600325), Zhejiang Wolvo Bio-Pharmaceutical Co., Ltd. (浙江我武生物科技股份有限公司), being a company listed on the Shenzhen Stock Exchange (stock code: 300357), Hangzhou Shunwang Technology Co., Ltd. (杭州順網科技股份有限公司), being a company listed on the Shenzhen Stock Exchange (stock code: 300113), and an external supervisor of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), being a company listed on the Shanghai Stock Exchange (stock code: 600000).

Mr. Chen has entered into an appointment letter with the Company for a term of three years commencing on 19 August 2010. Subsequently, Mr. Chen has entered into a supplemental letter of appointment for a term of three years commencing from 28 May 2014 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Chen is entitled to receive an annual allowance of HK\$180,000. The amount of emoluments is determined by the Board with reference to his experiences, duties, responsibilities and the Company's policy.

Mr. Zhang Xuejun

Mr. Zhang Xuejun, aged 51, joined the Group as an independent non-executive Director in December 2016. Mr. Zhang graduated from Capital Normal University (formerly known as Beijing Normal College) in the PRC and obtained a bachelor's degree in philosophy. Mr. Zhang also completed an on-job postgraduate course at Chinese Academy of Social Sciences. Subsequently, Mr. Zhang obtained a master's degree in EMBA from Cheung Kong Graduate School of Business in the PRC in 2006.

Mr. Zhang taught at School of English and School of Political Science and Law in Beijing Normal College. Subsequently, Mr. Zhang successively assumed the position of deputy office head of the Municipal Party Committee of the Youth League in Beijing (北京團市委), secretary of the Committee of the Youth League in Chaoyang District in Beijing (北

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

京市朝陽區團委), director and secretary of the Party Work Committee (黨工委書記) of Heping Subdistrict Office in Chaoyang District in Beijing (北京市朝陽區和平街街道辦事處). Since 2000, Mr. Zhang has served in the Central Committee of the Chinese Communist Youth League (共青團中央). Mr. Zhang successively assumed the position deputy director of Chinese Young Pioneers Business Development Centre (團中央中國少先隊事業發展中心副主任), deputy director of the Central Juvenile Department (團中央少年部) and Central Propaganda Department (團中央宣傳部), director of the Central Juvenile Department (團中央少年部) of the Chinese Communist Youth League, deputy director of the National Committee of Chinese Young Pioneers (全國少工委副主任) and member of the 16th Central Standing Committee of the Chinese Communist Youth League (十六屆團中央常委).

Mr. Zhang served as a deputy secretary (department level) at the Municipal Party Committee of Jiujiang in Jiangxi Province (江西省九江市委副書記(正廳級)) from 2008 to 2011 and a party secretary and director at the Foreign Affairs Office in Jiangxi Province (江西省外事僑務辦公室) from 2011 to 2014. Mr. Zhang has served as a party member and the Secretary-General of the Chinese Western Returned Scholars Association (歐美同學會) since February 2014.

Mr. Zhang has been a co-chief executive officer of Hsin Chong Group Holdings Limited (a company the shares of which are listed on the Stock Exchange with stock code 404) from September 2016, primarily responsible for the management of business in Mainland China.

Mr. Zhang executed an appointment letter dated 19 December 2016 for a term of three years commencing from the date of appointment and may be terminated in accordance with the terms of the appointment letter. Mr. Zhang will be entitled to an annual allowance of HK\$180,000, which was recommended by the remuneration committee of the Board with reference to his experience, duties and responsibilities and the prevailing market conditions and determined by the Board.

Mr. Leung Ming Shu

Mr. Leung Ming Shu, aged 41, joined the Group as an independent non-executive Director in March 2017. Mr. Leung is currently the chief financial officer and company secretary of China ITS (Holdings) Co., Ltd. Mr. Leung is also an independent non-executive director of Cabbeen Fashion Limited, a company listed on the Stock Exchange (stock code: 2030), and Comtec Solar Systems Group Limited, a company listed on the Stock Exchange (stock code: 712). Mr. Leung acted as an independent non-executive director of Shengli Oil & Gas Pipe Holdings Limited, a company listed on the Stock Exchange (stock code: 1080) from January 2011 to April 2013. Mr. Leung is experienced in the areas of corporate finance and accounting from his various roles detailed below. From November 2006 to January 2008, Mr. Leung served as the chief financial officer of Beijing Lingtu Spacecom Technology Co., Ltd., a subsidiary of Beijing Lingtu Software Co., Ltd., a PRC digital mapping and navigation software company. From February 2006 to October 2006, Mr. Leung served as the chief financial officer of Beijing Xinwei Telecom Technology Co., Ltd., a related party of 大唐電信科技股份有限公司 (Datang Telecom Technology Co., Ltd., a company listed on the Shanghai Stock Exchange) which is engaged in the development of a telecommunications standard and the manufacturer of telecommunications equipment. Prior

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

to that, Mr. Leung spent approximately three years from February 2003 at CDC Corporation, a NASDAQ-listed company, as a senior manager in the mergers and acquisitions department, and as the chief financial officer of China.com Inc. (currently known as Sino Splendid Holdings Limited), a subsidiary of CDC Corporation and a company listed on the Stock Exchange (stock code: 8006). Mr. Leung started his professional career at PricewaterhouseCoopers in Hong Kong in auditing in 1998, and subsequently worked at the global corporate finance division of Arthur Andersen & Co. in Hong Kong, which subsequently merged with PricewaterhouseCoopers, until December 2000. From July 2001 to February 2003, Mr. Leung also worked as a business consultant in Market Catalyst International (Hong Kong) Limited, where he advised companies on issues of strategy, organisation and operations. Mr. Leung obtained a First Class Honours Bachelor's degree in accountancy from the City University of Hong Kong in June 1998 and a Master's degree in accountancy from the Chinese University of Hong Kong in November 2001. Mr. Leung is a Fellow of the Association of Chartered Certified Accountants since February 2007 and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since March 2006.

Mr. Leung executed an appointment letter dated 24 March 2017 for a term of three years commencing from the date of appointment and may be terminated in accordance with the terms of the appointment letter. Mr. Leung will be entitled to an annual allowance of HK\$180,000, which was recommended by the remuneration committee of the Board with reference to his experience, duties and responsibilities and the prevailing market conditions and determined by the Board.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,395,953,500 Shares with nominal value of HK\$0.1 each. Subject to passing the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors will be authorised to repurchase a maximum of 139,595,350 Shares, which represent 10% of the number of the issued shares of the Company as at the date of passing the resolution in relation to the Repurchase Mandate, during the period ending on the earliest of (a) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (c) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

REASONS AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek the Repurchase Mandate from the Shareholders to enable the Directors to repurchase the Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of the Shares will be financed out of funds legally available for the purpose of and in accordance with the Articles of Association, the Companies Law and the Listing Rules, such as the Company's available cash flow or working capital facilities. The Companies Law provides that the amount of capital repaid in connection with a repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of the Shares made for the purpose of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate is to be exercised in full at the current prevailing market value, there may be an adverse impact on the working capital or gearing position of the Company as compared to the position disclosed in the audited consolidated financial statements of the Company as at 31 December 2016, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would,

in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

None of the Directors and to the best of the knowledge of the Directors having made all reasonable enquiries, none of the close associates (as defined under the Listing Rules) of the Directors, have a present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

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

No core connected persons (as defined under the Listing Rules) have notified the Company that they have a present intention to sell any Share to the Company or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. Saved as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Xiang Jie was interested in 446,182,347 Shares, representing approximately 31.96% of the total issued Shares. As at the Latest Practicable Date, among the 446,182,347 Shares, 4,854,000 Shares were directly held by Mr. Xiang Jie and the remaining 441,328,347 Shares were directly held by Max Vision Holdings Limited. As at the Latest Practicable Date, Max Vision Holdings Limited was wholly owned by Jiekun Limited, which was wholly owned by BNP Paribas Corporate Services Pte Ltd. As at the Latest Practicable Date, BNP Paribas Corporate Services Pte Ltd. was wholly owned by BNP Paribas Singapore Trust Corporation Limited, which was the trustee of a private trust of which Mr. Xiang Jie was the settlor and his family members were the beneficiaries. In the event that the Directors exercise the Repurchase Mandate in full and excluding the Shares which may be issued to Mr. Xiang Jie upon the exercise of the Share Options granted or to be granted to him, Mr. Xiang Jie's interests in the Shares will be increased to approximately 35.51% of the total issued Shares and such increase would give rise to an obligation to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligation under the Takeovers Code. The Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any purchase by the Company of the Shares.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if such repurchase would result in less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of a company be held by the public. The Directors do not propose to repurchase the Shares which would result in less than the prescribed minimum percentage of the Shares be held by the public.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares had been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

Month	Highest prices <i>HK\$</i>	Lowest prices <i>HK\$</i>
2016		
March	1.38	1.11
April	1.28	1.15
May	1.24	1.09
June	1.21	1.03
July	1.26	1.06
August	1.25	1.09
September	1.30	1.13
October	1.19	1.11
November	1.65	1.13
December	1.68	1.38
2017		
January	1.57	1.42
February	1.70	1.47
March (up to the Latest Practicable Date)	1.99	1.62

NOTICE OF ANNUAL GENERAL MEETING



Sun.King Power Electronics Group Limited 賽晶電力電子集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 580)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Sun.King Power Electronics Group Limited (the “**Company**”) will be held at Meeting Room IX, Crowne Plaza Beijing International Airport, 60 Fuqian 1 Street, Tianzhu, Shunyi District, Beijing, People’s Republic of China on Wednesday, 10 May 2017 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of directors and auditors for the year ended 31 December 2016.
2. To declare a final dividend of HK1.5 cent per share of the Company (the “**Share(s)**”) for the year ended 31 December 2016 out of the share premium account of the Company.
3. (a) To re-elect the following retiring directors of the Company (the “**Directors**”):
 - (i) Mr. Yue Zhoumin;
 - (ii) Mr. Chen Shimin;
 - (iii) Mr. Zhang Xuejun; and
 - (iv) Mr. Leung Ming Shu.
- (b) To authorise the board of Directors to fix the remuneration of the Directors.

NOTICE OF ANNUAL GENERAL MEETING

4. To re-appoint Ernst & Young as the auditors of the Company, and authorise the board of Directors to fix their remuneration.

5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (a) **“That:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional Shares in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into the Shares) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

 - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

 - (iii) the number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (A) a Rights Issue (as hereinafter defined); or (B) the grant or exercise of any share option under the share option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of the Shares or rights to acquire the Shares; or (C) any scrip dividend or similar arrangements providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the articles of association of the Company (the **“Articles of Association”**); or (D) any issue of the Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into the Shares, shall not exceed 20% of the total number of the issued Shares as at the date of passing this resolution and the approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:–

(A) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:–

- (1) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
- (3) the date on which such authority is revoked or varied by ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting; and

(B) “**Rights Issue**” means an offer of the Shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for the Shares open for a period fixed by the Directors to holders of the Shares in the capital of the Company whose names appear on the register of shareholders on a fixed record date in proportion to their holdings of the Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws or requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(b) “**That**:

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under The Codes on Takeovers and Mergers and Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the number of the Shares, which may be repurchased pursuant to the approval in paragraph (i) above, shall not exceed 10% of the total number of the issued Shares as at the date of passing of this resolution and the approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:–

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

- (A) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
 - (C) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.”
- (c) “**That** conditional upon ordinary resolutions numbered 5(a) and 5(b) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements and options which may require the exercise of such powers pursuant to ordinary resolution numbered 5(a) set out in this notice be and is hereby extended by the addition to the total number of the issued Shares which may be allotted by the Directors pursuant to such general mandate the number of the issued Shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(b) set out in this notice, provided that such amount shall not exceed 10% of the total number of the issued Shares as at the date of passing of the resolutions.”

By order of the board of Directors
Sun.King Power Electronics Group Limited
Xiang Jie
Chairman

Hong Kong, 24 March 2017

NOTICE OF ANNUAL GENERAL MEETING

<i>Registered office:</i>	<i>Headquarters:</i>	<i>Principal place of business</i>
Cricket Square	Building 9-A	<i>in Hong Kong:</i>
Hutchins Drive	KongGangRongHuiYuan	36th Floor, Tower Two,
P.O. Box 2681	Yuhua Road	Times Square
Grand Cayman	Tianzhu Airport Industrial	1 Matheson Street
KY1-1111	Zone B	Causeway Bay
Cayman Islands	Shunyi District	Hong Kong
	Beijing	
	People's Republic of China	

Notes:

1. Any Shareholder entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder.
2. Where there are joint holders of any Share any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting the vote of the senior holder 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.
3. The form of proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding the Annual General Meeting or any adjournment thereof at which the person named in the form of proxy proposes to vote.
4. The register of members of the Company will be closed from Thursday, 4 May 2017 to Wednesday, 10 May 2017, both dates inclusive, during which period no transfer of Shares will be registered. In order to establish the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 2 May 2017.
5. The board of directors of the Company has recommended the payment of a final dividend of HK1.5 cent per Share for the year ended 31 December 2016. Conditional upon the passing of ordinary resolution numbered 2 by the Shareholders at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 25 May 2017 to Friday, 26 May 2017, both dates inclusive, during which period no transfer of Shares will be registered and the final dividend is expected to be paid on or around Thursday, 15 June 2017 to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 26 May 2017. In order to establish the identity of the Shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 24 May 2017.
6. The form of proxy for the use at the Annual General Meeting is enclosed herewith.

As at the date of this notice, the executive Directors are Mr. Xiang Jie, Mr. Gong Renyuan and Mr. Yue Zhoumin; and the independent non-executive Directors are Mr. Chen Shimin, Mr. Zhang Xuejun and Mr. Leung Ming Shu.