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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 **China Opto Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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CHINA OPTO
HOLDINGS LIMITED

China Opto Holdings Limited

中國新進控股有限公司

(Formerly known as China Optoelectronics Holding Group Co., Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

NOTICE OF ANNUAL GENERAL MEETING AND PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTOR, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND REFRESHMENT OF THE SCHEME MANDATE LIMIT

A notice convening the annual general meeting of China Opto Holdings Limited to be held on Monday, 27 June 2016 at 10:00 a.m. at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong is set out on pages 12 to 15 of this circular. A form of proxy for use at the annual general meeting is enclosed and can also be downloaded from the websites of the Company (www.chinaopto.com.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). Whether or not you intend to attend and vote at the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of China Opto Holdings Limited in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

28 April 2016

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Monday, 27 June 2016 at 10:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 12 to 15 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	China Opto Holdings Limited (formerly known as China Optoelectronics Holding Group Co., Limited), a company incorporated in Bermuda with limited liability whose Shares 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 People’s Republic of China
“Latest Practicable Date”	25 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to repurchase Shares up to a maximum of 10% of the issued Share as at the date of passing the relevant resolution as set out in Ordinary Resolution 5 in the AGM Notice
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the existing share option scheme of the Company adopted by the Company on 18 May 2012
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	percent

LETTER FROM THE BOARD



CHINA OPTO
HOLDINGS LIMITED

China Opto Holdings Limited 中國新進控股有限公司

(Formerly known as China Optoelectronics Holding Group Co., Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

Executive Directors:

Ms. Poon Ho Yee Agnes (*Managing Director*)
Mr. Lo Yuen Wa Peter
Ms. Sun Dixie Hui

Non-executive Director:

Dr. Lam How Mun Peter (*Chairman*)

Independent Non-executive Directors:

Mr. Chan Sze Hung
Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

7th Floor, China United Centre
28 Marble Road
North Point
Hong Kong

28 April 2016

To the Shareholders

Dear Sir or Madam,

NOTICE OF ANNUAL GENERAL MEETING AND PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTOR, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND REFRESHMENT OF THE SCHEME MANDATE LIMIT

INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and information in respect of the resolutions to be proposed at the AGM for the approval of (i) re-election of retiring Director; (ii) granting of general mandates to issue and repurchase Shares; and (iii) refreshment of the Scheme Mandate Limit.

RE-ELECTION OF RETIRING DIRECTOR

In accordance with the Bye-laws, Dr. Lam How Mun Peter and Mr. Chan Sze Hung will retire by rotation at the AGM, Dr. Lam How Mun Peter, being eligible, will offer himself for re-election at the AGM whereas Mr. Chan Sze Hung has indicated to the Company that he will not offer himself for re-election. All other Directors will continue to be in office.

LETTER FROM THE BOARD

As ordinary business at the AGM, resolution will be proposed for the re-election of Dr. Lam How Mun Peter as Non-executive Director. His particulars as required under the Listing Rules are set out in Appendix I to this circular. Your attention is drawn to the recommendation of the Board in relation to the re-election of Director set out on page 7 below in the paragraph headed “Recommendation”.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandate to issue Shares granted to the Directors at the special general meeting of the Company held on 4 March 2016 and the existing general mandate to repurchase Shares granted to the Directors at the last annual general meeting of the Company held on 18 May 2015 will expire at the conclusion of the AGM. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors: (i) to allot, issue and otherwise deal with the aggregate number of securities of the Company not exceeding 20% of the issued Shares as at the date of passing the relevant resolution; (ii) to repurchase Shares up to a maximum of 10% of the issued Shares as at the date of passing the relevant resolution; and (iii) to extend the general mandate granted to the Directors to issue Shares by the addition of an amount representing the aggregate number of any Shares that may be repurchased.

As at the Latest Practicable Date, the Company had in the aggregate 5,103,692,751 Shares in issue. Subject to the passing of the relevant resolutions at the AGM and on the basis that no further Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the new general mandates would allow the Directors to allot and issue up to 1,020,738,550 Shares, being 20% of the issued Shares as at the date of the AGM, to repurchase up to a maximum of 510,369,275 Shares, being 10% of the issued Shares as at the date of the AGM, and to further issue up to 510,369,275 Shares if the same amount of Shares were repurchased.

The 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 the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the proposed resolution concerning the Repurchase Mandate at the AGM. Your attention is drawn to the recommendation of the Board in relation to the grant of general mandates to the Directors to issue and repurchase Shares set out on page 7 below in the paragraph headed “Recommendation”.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed on 18 May 2012. Apart from the Share Option Scheme, the Company had no other share option scheme as at the Latest Practicable Date.

Under the Share Option Scheme, the Scheme Mandate Limit shall not exceed 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme unless the Company obtains approval from Shareholders for its refreshment. Options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit. Notwithstanding the above, the total number of Shares of the Company which may be issued upon exercise of all

LETTER FROM THE BOARD

outstanding options granted and yet to be exercised under the Scheme Option Scheme and any other share option scheme of the Company must not exceed 30% of the nominal amount of the share capital of the Company in issue from time to time.

Since the date of adoption of the Share Option Scheme and up to the Latest Practicable Date, options carrying rights to subscribe for 359,414,982 Shares had been granted and exercised both on 3 December 2015 and there were no outstanding options granted and yet to be exercised under the Share Option Scheme. The current Scheme Mandate Limit is 510,369,275 Shares, representing 10% of the total number of Shares in issue as at the date of the special general meeting of the Company held on 4 March 2016 when the Scheme Mandate Limit was last refreshed. From 4 March 2016 to the Latest Practicable Date, the Company has not utilized any current Scheme Mandate Limit.

As announced by the Company on 30 March 2016, the Company entered into a conditional agreement (the “Subscription Agreement”) with Win Wind Capital Limited (“Win Wind”) on the date of the announcement. Pursuant to the Subscription Agreement, *inter alia*, Win Wind shall subscribe for, and the Company shall issue and allot, 2,040,000,000 new Shares (the “Subscription Shares”) at a price of HK\$0.20 per Share. Completion of the Subscription Agreement and the issuance of the Subscription Shares are conditional upon, *inter alia*, approval by Shareholders at a special general meeting of the Company to be convened later.

Based on the expected timeline available at the Latest Practicable Date, the Board is of the view that there is reasonable chance that completion of the Subscription Agreement and issuance of the Subscription Shares will be before the date of the AGM.

Assuming that (i) no Share is issued or repurchased by the Company other than the issuance of the Subscription Shares between the Latest Practicable Date and the date of the AGM; (ii) no option under the Share Option Scheme is granted and exercised between the Latest Practicable Date and the date of the AGM; and (iii) the refreshment of the Scheme Mandate Limit is approved by the Shareholders at the AGM, the Company will have a total number of 7,143,692,751 Shares in issue as at the date of the AGM and the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit will be 714,369,275 Shares, being 10% of the total number of Shares in issue as at the date of the AGM, as compared with the current Scheme Mandate Limit of 510,369,275 Shares.

The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole as it enables the Company to maximize the flexibility in making new grants of options under the Share Option Scheme so as to (i) provide incentives to eligible participants; (ii) promote the success of the business of the Group; and (iii) attract and motivate high quality executives to serve the Group in capturing any prospective investment opportunities if and when they are identified. Therefore, the Board proposes to seek approval from Shareholders at the AGM of the refreshment of the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is conditional on:

- (i) the Shareholders passing an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the AGM; and

LETTER FROM THE BOARD

- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, any new Shares, representing a maximum of 10% of the Shares in issue as at the date of approval of the resolution at the AGM for the refreshment of the Scheme Mandate Limit which may be issued upon exercise of all options granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in any Shares, representing 10% of the Shares in issue as at the date of approval of the resolution at the AGM which may be issued upon exercise of all options granted under the refreshed Scheme Mandate Limit.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 12 to 15 of this circular and a form of proxy for use at the AGM is enclosed. The form of proxy can also be downloaded from the websites of the Company (www.chinaopto.com.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so desire.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY OF THE DIRECTORS

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.

LETTER FROM THE BOARD

RECOMMENDATION

On the re-election of Director to be moved as ordinary business at the AGM as set out in item 2(a) of the AGM Notice, the Board has received a recommendation from the Nomination Committee of the Company for proposing the retiring Director, Dr. Lam How Mun Peter. Taking into consideration the recommendation of the Nomination Committee and the qualification, experience and character of the retiring Director, the Directors recommend Shareholders to vote in favour of the resolution to be proposed for the re-election of the retiring Director as Non-executive Director.

On the special business relating to the grant of general mandates to the Directors for the issue and repurchase of Shares and the refreshment of the Scheme Mandate Limit as set out in Ordinary Resolutions 4, 5, 6 and 7 in the AGM Notice, the Directors consider that the proposed resolutions enhance the liquidity of the Shares, provides flexibility to the Company and are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of the ordinary resolutions in respect of the grant of general mandates to issue and repurchase Shares and the refreshment of the Scheme Mandate Limit.

OTHER INFORMATION

Your attention is also drawn to the information set out in the Appendices to this circular and the AGM Notice.

Yours faithfully,
By order of the Board
China Opto Holdings Limited
Lam How Mun Peter
Chairman

Particulars of the retiring Director who will offer himself for re-election at the AGM are set out below:

Dr. Lam How Mun Peter – *Non-executive Director*

Dr. Lam, aged 68, was appointed Chairman and Non-executive Director of the Company both on 19 June 2012. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee. Dr. Lam was one of the founders of the Group in 1989. He also serves as a Director of four subsidiaries of the Company. As Chairman, Dr. Lam is responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. Dr. Lam graduated from The University of Hong Kong with a bachelor's degree in medicine and surgery in 1972. He is a fellow of The Royal College of Surgeons of Edinburgh and the American College of Surgeons. In addition to his extensive experience in medical practice, Dr. Lam has over 20 years of extensive experience in corporate management, real estate and investment. Dr. Lam is the Deputy Chairman, Managing Director and Executive Director of C C Land Holdings Limited, the shares of which are listed on the Stock Exchange. Save as disclosed, he does not hold any other positions with the Company or its subsidiaries, and has not held any directorship in other listed public companies in the last three years. Dr. Lam has entered into a letter of appointment with the Company which is terminable on not less than one month's notice in writing served by either party. He is subject to retirement by rotation and re-election pursuant to the Bye-laws. Dr. Lam received a director's fee for the year ended 31 December 2015 the sum of HK\$600,000, which was determined with reference to his duties and level of responsibility with the Company. His director's fee will be reviewed annually. As at the Latest Practicable Date, Dr. Lam is interested in 398,150 Shares. Save as disclosed, he does not have any interest in the Shares within the meaning of Part XV of the SFO and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of the above retiring Director that need to be brought to the attention of Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis that (i) 5,103,692,751 Shares were in issue as at the Latest Practicable Date, and (ii) no further Shares were issued and/or repurchased between the Latest Practicable Date and the date of the resolution approving the Repurchase Mandate, exercise in full of the Repurchase Mandate would result in up to 510,369,275 Shares being repurchased by the Company during the period from the date of passing the resolution granting the Repurchase Mandate until the earlier to occur of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held, and (iii) the revocation or variation of the Repurchase Mandate by Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the applicable laws of Bermuda.

Under Bermuda law, purchases of Shares may only be effected out of the capital paid up on the Shares to be purchased or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for such purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

Based on the position disclosed in the Company's most recent published audited accounts for the year ended 31 December 2015, and taking into account the current working capital position of the Company, there might be an adverse effect on the working capital or gearing position of the Company if the Repurchase Mandate was exercised in full in the period before expiration of the Repurchase Mandate. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent that it would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. EFFECT OF TAKEOVERS CODE

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

As at the Latest Practicable Date, the Company had 5,103,692,751 Shares in issue. Amazing Bay Limited ("Amazing Bay", a company wholly-owned by Ms. Lo Ki Yan Karen) held 1,459,641,400 Shares, representing approximately 28.60% of the issued Share. In the event that the Repurchase Mandate is exercised in full and no further Shares are issued during the period before expiration of the Repurchase Mandate, the interest held by Amazing Bay in the issued Shares will increase from 28.60% to 31.78% approximately, thus obliging Amazing Bay to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as disclosed, the Board is not aware of any consequences which would arise under the Takeovers Code as a result of an exercise in full of the Repurchase Mandate.

5. GENERAL

None of the Directors and, to the best of their knowledge and belief having made all reasonable enquiries, none of their close associates, have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders to sell Shares to the Company.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, 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 Bermuda.

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

6. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	0.648 A	0.424 A
May	0.696 A	0.584 A
June	0.660	0.500
July	0.560	0.250
August	0.510	0.300
September	0.430	0.370
October	0.540	0.390
November	0.450	0.154
December	0.320	0.196
2016		
January	0.295	0.225
February	0.345	0.235
March	0.445	0.265
April (up to and including the Latest Practicable Date)	0.335	0.260

A = adjusted for the effect of issue of 718,829,965 bonus shares of HK\$0.01 each upon the bonus issue becoming effective in June 2015.

NOTICE OF ANNUAL GENERAL MEETING



CHINA OPTO
HOLDINGS LIMITED

China Opto Holdings Limited

中國新進控股有限公司

(Formerly known as China Optoelectronics Holding Group Co., Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of China Opto Holdings Limited (the “Company”) will be held at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Monday, 27 June 2016 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2015.
2. (a) To re-elect the retiring director, Dr. Lam How Mun Peter; and
(b) To authorize the board of directors to fix the remuneration of the directors.
3. To re-appoint Messrs. Ernst & Young as independent auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, each of the following resolutions as an Ordinary Resolution:

4. “**THAT**
 - (a) a general mandate be and is hereby unconditionally given to the directors of the Company (the “Directors”) to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company or securities convertible into shares of the Company (“Shares”) or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued on a Rights Issue (as hereinafter defined) or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares, or upon the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares or any scrip dividend pursuant to the bye-laws of the Company from time to time, not exceeding twenty percent of the aggregate number of issued Shares as at the date of this Resolution (such aggregate number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution); and

NOTICE OF ANNUAL GENERAL MEETING

- (b) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until the earlier to occur of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

5. **“THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares, and that the exercise by the Directors of all the powers of the Company to purchase Shares subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not be extended beyond the Relevant Period;
- (b) such mandate shall authorise the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;
- (c) the aggregate number of Shares to be repurchased by the Company pursuant to this Resolution during the Relevant Period shall be no more than ten percent of the aggregate number of the issued Shares at the date of passing this Resolution (such aggregate number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of this Resolution); and

- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until the earlier to occur of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** subject to the availability of unissued shares and conditional upon the passing of Ordinary Resolutions 4 and 5 as set out in the notice convening this meeting, the aggregate number of the Shares which are repurchased by the Company pursuant to and in accordance with Ordinary Resolution 5 set out in the notice convening this meeting shall be added to the aggregate number of the Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Ordinary Resolution 4 set out in the notice convening this meeting.”
7. “**THAT**
- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Refreshed Limit (as hereinafter defined), the Scheme Mandate Limit (as hereinafter defined) in respect of the granting of options to subscribe for Shares under the Scheme (as hereinafter defined) and any other share option scheme(s) of the Company be refreshed and renewed provided that (i) the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Scheme and any other share option scheme(s) of the Company shall not exceed ten percent of the number of Shares in issue as at the date of passing this Resolution (the “Refreshed Limit”) and (ii) options previously granted under the Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the Scheme and any other share option scheme(s) of the Company or exercised options) shall not be counted for the purpose of calculating the Refreshed Limit, and the Directors be and are hereby authorised from time to time to offer or grant options pursuant to the Scheme subject to the Refreshed Limit and to exercise all powers of the Company to allot and issue Shares upon the exercise of any such options.
- (b) for the purpose of this Resolution:
- “Scheme” means the share option scheme of the Company adopted on 18 May 2012 pursuant to a resolution passed by written resolutions of the then sole shareholder of the Company on that date; and
- “Scheme Mandate Limit” means the maximum number of Shares that may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Company.”

By order of the Board
China Opto Holdings Limited
Lam How Mun Peter
Chairman

Hong Kong, 28 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A member who is entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies or a duly authorised corporate representative to attend and vote instead of him. A proxy need not be a member of the Company.
- (b) A form of proxy for use at the Annual General Meeting is enclosed. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries 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 of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending the Annual General Meeting and voting in person. In such event, his form of proxy will be deemed to have been revoked.
- (c) The Register of Members of the Company will be closed from Friday, 24 June 2016 to Monday, 27 June 2016, both days inclusive, for determining the eligibility of shareholders for attending and voting at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Thursday, 23 June 2016.
- (d) Further information on the proposals regarding (i) re-election of retiring Director; (ii) granting of general mandates to issue and repurchase Shares; and (iii) the refreshment of the Scheme Mandate Limit are contained in this circular.