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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 licensed securities dealer, other registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

**If you have sold or transferred** all your shares in North Asia Strategic Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## North Asia Strategic Holdings Limited

北亞策略控股有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

**(1) RE-ELECTION OF RETIRING DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual General Meeting of the Company to be held at The Executive Centre, Level 35, Two Pacific Place, No. 88 Queensway, Admiralty, Hong Kong on Thursday, 7th September 2023 at 10:00 a.m. is set out in this circular. A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, 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, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 10:00 a.m. on Tuesday, 5th September 2023 or 48 hours before the time appointed for any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

*This circular will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the Company's website at [www.nasholdings.com](http://www.nasholdings.com).*

**The following arrangement will be taken by the Company for the Annual General Meeting:**

- **voluntary wearing of surgical face masks (please bring your own mask);**
- **no provision of refreshments; and**
- **no souvenirs will be distributed.**

**Shareholders are reminded that they may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.**

\* For identification purpose only

4th August 2023



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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction.....	4
Re-election of Retiring Directors .....	5
General Mandates to Issue and Repurchase Shares .....	7
Proposed Adoption of the New Share Option Scheme.....	8
Responsibility Statement .....	12
Annual General Meeting .....	12
Voting at Annual General Meeting.....	13
Recommendation .....	13
<b>Appendix I — Details of Directors Proposed to be Re-elected</b> .....	14
<b>Appendix II — Explanatory Statement</b> .....	16
<b>Appendix III — Summary of Principal Terms of                     the New Share Option Scheme</b> .....	20
<b>Notice of Annual General Meeting</b> .....	33

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at The Executive Centre, Level 35, Two Pacific Place, No. 88 Queensway, Admiralty, Hong Kong on Thursday, 7th September 2023 at 10:00 a.m.
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“close associate”	the meaning ascribed thereto in the GEM Listing Rules
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on GEM (stock code: 8080)
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the share option scheme of the Company currently in force and adopted by the Company on 4th September 2014
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option pursuant to a permitted transfer in accordance with paragraph 4.1 of Appendix III to this circular or in consequence of death of the original Grantee or the legal personal representative of such person
“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”	31st July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“New Share Option Scheme”	the proposed new share option scheme of the Company to be submitted to the Shareholders for approval at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“Option(s)”	option(s) to subscribe for Share(s) granted or to be granted pursuant to the Existing Share Option Scheme and the New Share Option Scheme, as the context requires
“Participant(s)”	any Director or employee of the Company or any subsidiary of the Company, including any executive or non-executive director of the Company or any subsidiary of the Company, and any employee whom the Board considers, at its sole discretion, have contributed or will contribute to the Group, and persons who are granted options under the New Share Option Scheme as inducement to enter into employment contracts with the Company or any subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options and awards to be granted under the New Share Option Scheme and any other share schemes of the Company which shall not, in the absence of Shareholders’ approval, in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme. Options outstanding, cancelled, or lapsed in accordance with the terms of the Existing Share Option Scheme, the New Share Option Scheme and (as the case may be) such other share schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit
“Share(s)”	ordinary shares(s) of HK\$0.10 each in the share capital of the Company
“share scheme(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary undertaking within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

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## DEFINITIONS

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“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“%” or “per cent.”	percentage or per centum

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## LETTER FROM THE BOARD

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# North Asia Strategic Holdings Limited

## 北亞策略控股有限公司 \*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8080)**

### **Board of Directors**

#### *Executive Directors*

Ms. Zhang Yifan (*Chairlady*)

Mr. Kenneth Kon Hiu King

#### *Non-executive Director*

Mr. Pierre Tsui Kwong Ming

#### *Independent Non-executive Directors*

Mr. Joseph Liang Hsien Tse

Mr. Joseph Chan Nap Kee

Dr. Cai Qing

### **Registered office**

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### **Principal Place of Business**

Suite 1618, 16/F

Jardine House

1 Connaught Place, Central

Hong Kong

4th August 2023

*To the Shareholders,*

Dear Sir or Madam,

**(1) RE-ELECTION OF RETIRING DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

## **1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to be held on Thursday, 7th September 2023 at 10:00 a.m.. These includes ordinary resolutions for (i) the re-election of retiring Directors at the Annual General Meeting; (ii) the granting to the Directors general mandates to issue and repurchase Shares; and (iii) the proposed adoption of the New Share Option Scheme.

*\* for identification purpose only*

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 87 of the Bye-laws, Mr. Pierre Tsui Kwong Ming and Mr. Joseph Chan Nap Kee will retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors offering themselves for re-election, which are required to be disclosed by the GEM Listing Rules, are set out in Appendix I to this circular.

Mr. Joseph Chan Nap Kee joined the Company in February 2013 as a non-executive Director and was re-designated as an independent non-executive Director in March 2016. As such, he has continued to serve the Company for more than nine years. He is eligible for re-election at the Annual General Meeting and has provided his annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that Mr. Chan meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules.

Appendix 15 of the GEM Listing Rules stipulates that serving more than nine years could be relevant to the determination of an independent non-executive director's independence. If an independent non-executive director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders. A resolution for the proposed re-election of Mr. Joseph Chan Nap Kee forms part of the notice of the Annual General Meeting. If passed, this resolution would confirm his appointment notwithstanding he has served the Company for more than nine years.

In addition, the nomination committee of the Company (the "**Nomination Committee**") has evaluated Mr. Joseph Chan Nap Kee based on a series of objective criteria set out in the nomination policy adopted by the Company including but not limited to his character and integrity, professional qualifications, skills, knowledge, experience and willingness and ability to devote adequate time to discharge duties as members of the Board. The Nomination Committee is also of the view that Mr. Joseph Chan Nap Kee will bring to the Board perspectives, skills and experience as further described in his biography set out in Appendix I to this circular. Based on the Board diversity policy adopted by the Company, the Nomination Committee considers that taking into account the background of Mr. Joseph Chan Nap Kee, he can contribute to the diversity of the Board.

Save as disclosed above and in Appendix I, there are no other matters that need to be brought to the attention of the Shareholders regarding the re-election of these Directors.



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## LETTER FROM THE BOARD

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### **Process and Discussion of the Nomination Committee and the Board in Recommending the Re-election of the Retiring Directors**

The Nomination Committee will recommend to the Board for the re-election of a Director (including an independent non-executive Director) in accordance with the following process:

- i. The Nomination Committee and/or the Board would review the overall contribution and service to the Company of the retiring Director and his/her level of participation and performance on the Board.
- ii. The Nomination Committee and/or the Board would also review and determine whether the retiring Director continues to meet the criteria as set out above. If an independent non-executive Director is subject to re-election, the Nomination Committee and/or the Board will also assess and consider whether the independent non-executive Director will continue to satisfy the independence requirements as set out in the GEM Listing Rules.
- iii. The Nomination Committee and/or the Board would then make recommendations to Shareholders in respect of the proposed re-election of Directors at the general meeting.

Based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and the annual confirmations from each of the independent non-executive Directors, the Nomination Committee has assessed and considers that all of the independent non-executive Directors, including Mr. Joseph Chan Nap Kee, to be independent. In addition, the Nomination Committee has reviewed the overall contribution and service to the Company of each of the retiring Directors for the year ended 31st March 2023 and also the participation of each of the retiring Directors at meetings of the Board or Board committees. Following discussion among members of the Nomination Committee, the Nomination Committee is satisfied with each of the retiring Directors' level of participation and performance on the Board. Therefore, the Nomination Committee has recommended to the Board to that the Retiring Directors shall be proposed to Shareholders for re-election at the Annual General Meeting.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Mr. Pierre Tsui Kwong Ming and Mr. Joseph Chan Nap Kee stand for re-election as Directors at the Annual General Meeting.

Further information about the Board's composition and diversity as well as the Directors' attendance record at the meetings of the Board and/or its committees and the general meetings is disclosed in the corporate governance report of the Company's annual report published on 29th June 2023.

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## LETTER FROM THE BOARD

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### 3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 8th September 2022, ordinary resolutions were passed giving general mandates to the Directors to allot, issue and deal with unissued Shares and to repurchase Shares, subject to certain specified limits.

Under the GEM Listing Rules, the general unconditional mandates granted on 8th September 2022 will lapse at the conclusion of the Annual General Meeting, unless renewed at the Annual General Meeting. The Directors believe that re-granting of the general mandates is in the interests of the Company and its Shareholders and accordingly, ordinary resolutions will be proposed at the Annual General Meeting to (i) grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares up to a maximum of 20% of the total number of shares of the Company in issue at the date of passing of such resolution (the “**Issue Mandate**”); (ii) grant a general mandate to the Directors to repurchase fully-paid up Shares up to a maximum of 10% of the total number of shares of the Company in issue at the date of passing of such resolution (the “**Repurchase Mandate**”); and (iii) enable the Directors to issue, under the Issue Mandate, an additional number of Shares representing that number of Shares repurchased under the Repurchase Mandate (the “**Extension Mandate**”).

Assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, if the Issue Mandate and Repurchase Mandate are granted by the Shareholders at the Annual General Meeting, the Directors will be given the authority to allot, issue and deal with additional Shares up to a maximum of 90,901,862 Shares, and to repurchase fully-paid up Shares up to a maximum of 45,450,931 Shares, representing 20% and 10% of the total number of shares of the Company in issue respectively at the date of passing of such resolutions. The relevant resolutions to grant these mandates are set out as Resolutions Nos. 4 to 6 in the notice of Annual General Meeting.

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

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## LETTER FROM THE BOARD

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#### 4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Company notes that changes to Chapter 23 of the GEM Listing Rules that came into effect earlier this year would apply to all share schemes of listed issuers regardless of the terms of the schemes themselves. In other words, an eligible employee can only have an accurate picture of the Company's Existing Share Option Scheme if he or she reads the scheme rules in conjunction with the GEM Listing Rules. Given that the Existing Share Option Scheme is due to expire on 3rd September 2024, the Board considers it appropriate to "early adopt" share option scheme rules that are fully aligned with Chapter 23 of the GEM Listing Rules to facilitate communication of the Group's share option scheme regime to the Group's employees who may be eligible for future grants.

Accordingly, the Company proposes to adopt the New Share Option Scheme which will take effect upon the passing of relevant ordinary resolution by the Shareholders at the Annual General Meeting. After adoption of the New Share Option Scheme and prior to grant of any Options to the Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the Options to be granted. Apart from the Existing Share Option Scheme and the proposed adoption of the New Share Option Scheme, the Company does not have any other share scheme in force and has no current intention to adopt any other share scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. Unless otherwise stated, the defined terms in Appendix III shall apply to this circular. The full terms of the New Share Option Scheme will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website for a period of 14 days before the date of the Annual General Meeting and will be made available for inspection at the Annual General Meeting.

As at the Latest Practicable Date, there were 32,056,388 outstanding Options under the Existing Share Option Scheme which may be exercised by the grantees until expiry of 10 years from the date of grant. Upon expiry of the Existing Share Option Scheme, its provisions shall remain in full force and effect in respect of the outstanding Options.

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## LETTER FROM THE BOARD

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Further details of those outstanding Options are set out in the following table:

<b>Grantee</b>	<b>No. of Shares subject to Options outstanding as at the Latest Practicable Date</b>
<i>Connected persons at Company level</i>	
Zhang Yifan ( <i>Chairlady and executive Director</i> )	8,279,817
Kenneth Kon Hiu King ( <i>Executive Director</i> )	8,994,217
Pierre Tsui Kwong Ming ( <i>Non-executive Director</i> )	1,182,217
Joseph Liang Hsien Tse ( <i>Independent non-executive Director</i> )	1,078,217
Joseph Chan Nap Kee ( <i>Independent non-executive Director</i> )	1,078,217
Lu Ying ( <i>Substantial shareholder</i> )	699,016
<i>Other employees</i>	10,744,687
<b>Total:</b>	<b>32,056,388</b>

As at the Latest Practicable Date, the Company's unutilized scheme mandate limit under the Existing Share Option Scheme would allow the grant of Options over 531 Shares (i.e. less than one board lot of Shares). The Company does not intend to grant further options under the Existing Share Option Scheme.

### **Purpose**

The purpose of the New Share Option Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage longer term commitment of Participants to the Group and to better align their interests with those of Shareholders as a whole which can contribute towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

### **Participants and Eligibility**

The Board may, at its absolute discretion, offer Options to subscribe for such number of Shares in accordance with the terms set out in the New Share Option Scheme to any of the Participants.

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## LETTER FROM THE BOARD

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In determining the eligibility of each Participant, the Board shall consider the experience of the Participant on the Group's business, the length of employment or office of the Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards the Group's success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Participant to the Group. The Board (including the independent non-executive Directors) considers that the aforesaid criteria for determining eligibility of the Participants and terms of the grant of Options to the Participants will be in line with the purpose of the New Share Option Scheme (i.e. to reward the Participants who have contributed and/or will contribute to the Group, to encourage longer term commitment from them and to better align their interests with those of the Shareholders). For the avoidance of doubt, the Board will consider a number of factors (some of which are stated above) when it determines the eligibility of each Participant and would not determine a person's eligibility solely based on his/her past contribution (although this is one of the factors that the Board will consider).

### **Scheme Mandate Limit**

As at the Latest Practicable Date, the total number of Shares in issue is 454,509,311 Shares. Assuming there is no change in the number of Shares in issue during the period between the Latest Practicable Date and the Adoption Date, Options to subscribe for up to 45,450,931 Shares may be issued under the New Share Option Scheme and any other share scheme(s) of the Company pursuant to the GEM Listing Rules, representing 10% of the total number of Shares in issue as at the Adoption Date. The Scheme Mandate Limit complies with the requirements of the GEM Listing Rules and strikes a balance between achieving the purpose of the New Share Option Scheme and protecting the Shareholders from potential excessive dilution effect as a result of issue of new Shares on exercise of Options which may be granted under the New Share Option Scheme.

### **Vesting Period**

Vesting period for the Options shall not be less than twelve (12) months. However, to ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the Grantees, details of which have been set out in paragraph 2.1(c) of Appendix III 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 discretion 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. Therefore, the vesting period of twelve (12) months which may be shortened only under specific circumstances aligns with the purpose of the New Share Option Scheme by encouraging the Participants to perform exceptionally for accelerated vesting.

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## LETTER FROM THE BOARD

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### **Subscription Price**

The basis for determining the Subscription Price is specified in the rules of the New Share Option Scheme (see paragraph 3 of Appendix III to this circular). Such basis will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company. The basis of the Subscription Price complies with the requirements of the GEM Listing Rules and is consistent with the purpose of the New Share Option Scheme as it encourages the Participants to contribute to the Group and benefit from an increase in market price of the Shares.

### **Performance Targets**

If and to the extent that any performance target is required to be achieved by any Grantee before an Option is capable of being exercised, particulars of such targets shall be specified in the offer of an Option. The Board may determine such performance target at its sole and absolute discretion, which shall be based on, amongst other things, length of continued employment with the Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance and appraisal on contribution to the Group. Such performance target will be consistent with the purpose of the New Share Option Scheme as it encourages the Participants to achieve such performance target thereby increasing the value of the Group.

Notwithstanding the foregoing, no Options being offered to any independent non-executive Director shall contain any performance target unless the Board is satisfied that the existence of such target will not lead to any bias in the decision-making, or compromise the objectivity and independence of such Grantee in the course of performance by him of his duties as an independent non-executive Director. This complies with the practice recommended by the Stock Exchange under Appendix 15 of the GEM Listing Rules.

### **Clawback Mechanism**

Options shall lapse automatically if a Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. The above clawback mechanism is consistent with the purpose of the New Share Option Scheme as a Participant falling under any of the above grounds should not be rewarded under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### General

As at the Latest Practicable Date,

- (i) the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;
- (ii) the Company does not have any share scheme other than the Existing Share Option Scheme;
- (iii) the Company has not formulated any plan to grant Options under the New Share Option Scheme and the Company will continue to assess from time to time whether there is a need to formulate such plan; and
- (iv) to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

### 5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

### 6. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on page 33 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve, inter alia, (i) the re-election of retiring Directors; (ii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (iii) the proposed adoption of the New Share Option Scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 10:00 a.m. on Tuesday, 5th September 2023 or 48 hours before the time appointed for any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so desire.

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## LETTER FROM THE BOARD

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### 7. VOTING AT ANNUAL GENERAL MEETING

According to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

So far as the Directors are aware and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolutions to be proposed at the Annual General Meeting.

### 8. RECOMMENDATION

The Directors consider that the grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the proposed adoption of the New Share Option Scheme and the re-election of retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

Yours faithfully,  
On behalf of the Board  
**Zhang Yifan**  
*Chairlady and Executive Director*



**Pierre Tsui Kwong Ming, Non-executive Director**

Mr. Pierre Tsui Kwong Ming, aged 58, joined the Company in February 2015 as an independent non-executive Director. He was re-designated as an executive Director on 24th February 2016 and further re-designated as a non-executive Director on 9th February 2023. Upon Mr. Tsui's re-designation as an executive Director, he was appointed as the Chief Financial Officer of the Group's hi-tech distribution and services division until his appointment as the Chief Executive Officer of this division on 9th October 2017 till 9th February 2023. His appointment was continued for another three years commencing from 9th February 2023. During the period from 2006 to 2014, he was an executive director, the chief financial officer and company secretary of International Mining Machinery Holdings Limited, a company whose shares were listed on the Stock Exchange (Stock code: 1683) until 2012. He has comprehensive operating and financial experience in hi-tech distribution and services business. Mr. Tsui obtained his Master's degree in Accounting and Finance from the London School of Economics & Political Science, UK and a Master's degree in Business Administration from University of Southern California, the United States. He has been a member of the Hong Kong Institute of Certified Public Accountants since 1995 and the American Institute of Certified Public Accountants since 1995.

Apart from the foregoing, Mr. Tsui does not hold any other position with the Company or any of its subsidiaries nor did he hold any directorship on other listed public company in the last three years preceding the Latest Practicable Date. He does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

As at the Latest Practicable Date, Mr. Tsui was entitled to subscribe for 202,217 Shares at an exercise price of HK\$1.137 per Share during the period from 16th August 2017 to 15th August 2027; and entitled to subscribe for 980,000 Shares at an exercise price of HK\$0.70 per Share during the period from 24th December 2021 to 23rd December 2031 under the Existing Share Option Scheme. Save as disclosed above, Mr. Tsui did not have any other interests in the Shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between Mr. Tsui and the Company, the term of his appointment is continued for a period of three years commencing from 9th February 2023 and is subject to retirement and re-election at general meetings in accordance with the Bye-laws. Under the said letter of appointment, Mr. Tsui is entitled to receive a director's fee of HK\$480,000 per annum which was determined by the Board on basis of his level of responsibilities and by references to his experiences and market benchmark.

**Joseph Chan Nap Kee, Independent Non-executive Director**

Mr. Joseph Chan Nap Kee, aged 62, joined the Company in February 2013 as a non-executive Director. He was re-designated as an independent non-executive Director on 4th March 2016, and further appointed as an additional member of each of the audit committee, remuneration committee and nomination committee of the Company. His appointment was continued for another three years commencing from 4th March 2022. Mr. Chan has over 30 years of experience in commercial and investment banking and asset management. He is a founding partner of Oriental Patron Financial Group which was founded in 1993. He is also an executive director of Oriental Patron Asia Limited and a non-executive director of Oriental Patron Securities Limited. Mr. Chan was appointed as an executive director of Kaisun Holdings Limited, a company listed on GEM (Stock code: 8203) in September 2008. He is currently the chairman and executive director, member of remuneration committee and nomination and corporate governance committee of Kaisun Holdings Limited. On social services, Mr. Chan is a member of Hubei Provincial Political Consultative Conference, chairman of Hong Kong Energy, Mining and Commodities Association Limited, chairman of Silk Road Economic Development Research Center and vice president of Federation of Hong Kong Hubei Associations. Mr. Chan holds licenses of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), and Type 9 (asset management) under the SFO. He received Master of Science Degree majoring in international marketing from the University of Strathclyde, Bachelor of Science Degree in Aviation Management from Coventry University and a Diploma in China Investment and Trade from Peking University.

Apart from the foregoing, Mr. Chan does not hold any other position with the Company or any of its subsidiaries nor did he hold any directorship on other listed public company in the last three years preceding the Latest Practicable Date. He does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

As at the Latest Practicable Date, Mr. Chan was entitled to subscribe for 202,217 Shares at an exercise price of HK\$1.137 per Share during the period from 16th August 2017 to 15th August 2027; entitled to subscribe for 424,000 Shares at an exercise price of HK\$0.70 per Share during the period from 24th December 2021 to 23rd December 2031; and entitled to subscribe for 452,000 Shares at an exercise price of HK\$0.339 per Share during the period from 6th July 2023 to 5th July 2033 under the Existing Share Option Scheme. Save as disclosed above, Mr. Chan did not have any other interests in the Shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between Mr. Chan and the Company, the term of his appointment is for a term of three years commencing from 4th March 2022 and is subject to retirement and re-election at general meetings in accordance with the Bye-laws. He is entitled to receive a director's fee of HK\$480,000 per annum which was determined and approved by the Board on the basis of his level of responsibilities and by reference to his experience and market benchmark.

Save as disclosed above and the section headed "2. Re-election of Retiring Directors" in the Letter from the Board, the Directors believe that there is no other matter concerning the above retiring Directors that needs to be brought to the attention of the Shareholders nor is there any other information that needs to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

*The following is the Explanatory Statement required to be sent to Shareholders under the GEM Listing Rules relating to the repurchase of Shares on the Stock Exchange by a company whose primary listing is on the Stock Exchange. This 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 Repurchase Mandate.*

### **1. SHAREHOLDERS' APPROVAL**

The GEM Listing Rules provide that all share repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

Such authority may only continue in force during the period from the passing of the resolution until whichever is the earlier 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 the Bye-laws, or any applicable law to be held, or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such mandate.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the total issued share capital of the Company comprised 454,509,311 Shares of HK\$0.10 each.

Subject to the passing of Resolution No. 5 set out in the notice of Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 45,450,931 Shares, representing 10% of the issued share capital of the Company, during the period prior to the next annual general meeting of the Company.

### **3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the 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 value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

#### 4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws and regulations of Bermuda. The Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be an adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its most recent audited financial statements for the year ended 31st March 2023) in the event that the Repurchase Mandate were exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. SHARE PRICES

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

	<b>Share Prices</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
2022: July	0.690	0.490
August	0.660	0.500
September	0.570	0.435
October	0.570	0.280
November	0.350	0.265
December	0.400	0.265

	<b>Share Prices</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
2023: January	0.385	0.275
February	0.350	0.270
March	0.710	0.270
April	0.350	0.300
May	0.430	0.280
June	0.460	0.325
July (up to the Latest Practicable Date)	0.360	0.275

**6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase Shares in accordance with the GEM Listing Rules and the applicable laws and regulations of Bermuda.

**7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules) has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the GEM Listing Rules) of the Company that they have a present intention to sell any Shares or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**8. TAKEOVERS CODE**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning 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(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, as defined in the GEM Listing Rules, the substantial Shareholders, Sincere Ardent Limited (wholly owned by Ms. Lu Ying) held approximately 39.38% interest and Ms. Zhang Yifan (together with her wholly owned company, Sky Virtue Holdings Limited) held approximately 23.0% interest in the issued share capital of the Company. In the event that the Directors exercise the Repurchase Mandate in full and assuming no disposal of Shares by the substantial Shareholders, the percentage shareholding of the substantial Shareholders, Sincere Ardent Limited would be increased to approximately 43.76% and Ms. Zhang Yifan (including Sky Virtue Holdings Limited) would be increased to approximately 25.55% of the then issued share capital of the Company. Such increase of over 2% in the shareholding of Sincere Ardent Limited in any twelve-month period will give rise to an obligation on Sincere Ardent Limited to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, the Directors are not aware of any other consequences that may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

However, the Company has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation on Sincere Ardent Limited to make mandatory offer under the Takeovers Code. In the event that the Repurchase Mandate is implemented in full, the number of Shares held by the public would not fall below 25% of the issued share capital of the Company.

**9. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the six months preceding the Latest Practicable Date.

*The following is a summary of the principal terms of the New Share Option Scheme but the summary does not form part of, nor is it intended to be part of, the New Share Option Scheme nor should it be taken as affecting the interpretation of the New Share Option Scheme. Unless the context otherwise requires, the following expressions have the following meanings:*

“Adoption Date”	the date on which this Scheme was adopted by resolutions of the Shareholders;
“associate”	has the meaning ascribed to it under the GEM Listing Rules;
“Auditor”	the auditor of the Company for the time being;
“Board”	at any time the board of Directors of the Company at that time or a duly authorised committee thereof;
“Business Day”	has the meaning ascribed to it under the GEM Listing Rules;
“chief executive”	has the meaning ascribed to it under the GEM Listing Rules;
“Date of Grant”	in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of this Scheme;
“FAQ”	the “Frequently asked questions on adjustments of the exercise price of share options” (FAQ No. 072-2020) on Rule 23.03(13) of the GEM Listing Rules released by the Stock Exchange on 6th November 2020;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of this Scheme or (where the context so permits) a person entitled to any such Option pursuant to a permitted transfer in accordance with paragraph 4.1 or in consequence of the death of the original Grantee or the legal personal representative of such person;
“Individual Limit”	has the meaning ascribed to it in paragraph 6.4;
“Offer”	the offer of the grant of an Option made in accordance with paragraph 2;

“Option Period”	in respect of any Option, the period (which shall not exceed 10 years from the Date of Grant) to be determined and notified by the Board to the Grantee at the time of making an Offer, subject to earlier termination in accordance with the provisions of this Scheme;
“Remuneration Committee”	remuneration committee as set up by the Board;
“Scheme”	this share option scheme in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 6.1;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph 3; and
“Subsidiary”	a subsidiary of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly.

## **1. PURPOSE, DURATION AND ELIGIBILITY**

- 1.1 The purpose of this Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage longer term commitment of Participants to the Group and to better align their interests with those of Shareholders, as a whole which can contribute towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.
- 1.2 Subject to paragraph 11, this Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be offered or granted but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Options granted during the life of this Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.
- 1.3 In determining the eligibility of each Participant, the Board shall consider the experience of the Participant on the Group’s business, the length of employment or office of the Participant with the Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards the Group’s success and any other factor that allows the Board to assess the amount of contribution made or to be made by the Participant to the Group.



**2. GRANT OF OPTIONS**

- 2.1 On and subject to the terms of this Scheme and the GEM Listing Rules, the Board shall be entitled at any time within 10 years after the Adoption Date to make (subject to such conditions as the Board may think fit) an Offer to any Participant as the Board may at its absolute discretion select to take up an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

**Condition**

- (a) The grant of Options comprised in each Offer is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of the Option to be granted. If this condition is not satisfied on or before the 30th day after the Date of Grant, any Option granted or agreed to be granted pursuant to the Offer shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Offer.

**Vesting period**

- (b) Save for the circumstances prescribed in paragraph (c) below, every Grantee must hold an Option for at least 12 months before he can exercise such Option.
- (c) A Grantee may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of the Board or (where the Grantee is a director or a member of the senior management of the Company) the Remuneration Committee in any of the following circumstances:
- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
  - (ii) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
  - (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria. For example, this could be applicable where an employee or potential employee have exceptional skills or expertise and the performance target is to secure a specific particularly high value project or customer for the Group in less than 12 months;

- (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 or more months. For example, this could be applicable where the Company has set quarterly or semi-annual performance targets and the Options would be vested in batches upon satisfaction of each of those targets in a way that the Options would be vested evenly over a period of 12 or more months instead of all being vested in one-go upon the expiry of a certain period; and
- (v) grants with a total vesting and holding period of more than 12 months (“**holding period**” refers to the period during which the Grantee is restricted from disposing of Shares that are issued upon the exercise of vested Options).

#### **Performance targets**

- (d) If and to the extent that any performance target is required to be achieved by any Grantee before an Option is capable of being exercised, such performance target shall be based on, amongst other things, length of continued employment with the Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance and appraisal on contribution to the Group. There may be instances where it may be impracticable or inappropriate to include specific performance targets as a vesting condition of Options. The Company considers that a grant of Options after taking into account actual performance and/or contribution of the individual Grantee and appropriate communication to the Grantee of such correlation would also have the effect of incentivising and rewarding that Grantee for their contribution. It is important that the Company retains that flexibility to tailor incentives and rewards to achieve the purpose of the New Share Option Scheme and to ensure that the Group can continue to offer consistent and market competitive remuneration packages to its employees.
  - (e) Where a Grantee is an independent non-executive Director, the vesting of Options shall not be subject to performance target, unless the Board is satisfied that the existence of such target will not lead to any bias in the decision-making, or compromise the objectivity and independence of such Grantee in the course of performance by him of his duties as an independent non-executive Director.
- 2.2 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the 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 this Scheme and shall remain open for acceptance by the Participant concerned for a period of 5 Business Days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Participant for whom the Offer is made has ceased to be a Participant.

- 2.3 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the GEM Listing Rules or by any other applicable rules, regulations or law.
- 2.4 An Offer is deemed to be accepted when the Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.
- 2.5 Any Offer may be accepted in whole or in part provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within 5 Business Days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in paragraph 2.4, it shall be deemed to have been irrevocably declined.

### **3. SUBSCRIPTION PRICE**

The Subscription Price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:–

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Shares on the Date of Grant.

### **4. EXERCISE OF OPTIONS**

- 4.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option or enter into any agreement to do so. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company. Notwithstanding the foregoing, a Grantee may transfer any Option to a vehicle (such as a trust or private company) for the benefit of himself and/or his family members (such as for the purpose of estate planning or tax planning purposes) provided that the Stock Exchange has prior to such transfer granted a waiver to allow such transfer.

- 4.2 An Option may, subject to the provisions of paragraph 6 and the fulfilment of all the terms and conditions set out in the Offer (if any), be exercised in whole or in part (but if in part only, it should be exercised in a whole board lot in which the Shares are traded on the GEM from time to time or an integral multiple thereof) by the Grantee (or, as the case may be, his legal personal representative(s)) by 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 exercised. Each notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 20 Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditor's certificate or the certificate from the independent financial advisor to the Company pursuant to paragraph 7, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of the Shares so allotted.
- 4.3 Subject to any restrictions applicable under the GEM Listing Rules and notwithstanding the terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period:–
- (a) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full:
- (i) his legal personal representative(s) may exercise the Option (to the extent not already exercised) up to the Grantee's entitlement (whether vested or not) as at the date of death within the period of 6 months following his death unless paragraph (ii) or (iii) applies;
  - (ii) where any of the events set out in paragraph 4.3(d), (e), (f) and (g) occurs prior to the Grantee's death or within such period of 6 months following his death, his personal representative(s) may exercise the Option only within period set out in the applicable paragraphs;
  - (iii) (where the Grantee is an employee of the Group) if any of the events which would be a ground for termination of his employment as specified in paragraph 5.1(d) have arisen in respect of the Grantee at any time within a period of 3 years prior to the Grantee's death, the Company may at any time terminate the Option (to the extent not already exercised) and declare any notice of exercise of Option received (for which Shares have not been allotted) null and void and return in full the Subscription Price the Company has received in respect thereof;

- (b) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 5.1(d), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable unless he continues to serve the Group in some other capacity (for example, as a director or employee of any other member of the Group), in which case the Board may determine that the Option shall not lapse until such later date the Board determines to be appropriate;
- (c) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 5.1(d), his Option (to the extent not already exercised) shall lapse automatically and shall not be exercisable on or after the date of termination of his employment and any notice given by the Grantee to exercise the Option pursuant to paragraph 4.2 for which Shares have not been allotted shall be null and void and the Company shall return the Subscription Price the Company has received in respect thereof;
- (d) in the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 4.3(e) below) is made to all the Shareholders (or all such Shareholders other than those permitted by the relevant regulatory authority to be excluded from the general offer) and such offer becomes or is declared unconditional prior to the expiry of the Option Period of any Option, the Company shall forthwith notify all Grantees who then hold unexercised Options of their entitlements under this paragraph 4.3(d) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested portion, to such extent as may be specified by the Company, provided that where a court of competent jurisdiction has made an order to prohibit the offeror from acquiring Shares under the general offer, notwithstanding any notice given by the Company pursuant to this paragraph 4.3(d) the Option shall not become exercisable pursuant to that notice until after the discharge of that order;

- (e) in the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees who then hold unexercised Options of their entitlements under this paragraph 4.3(e) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect any unvested option, to such extent notified by the Company;
- (f) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees who then hold unexercised Options of their entitlements under this paragraph 4.3(f) and any such Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested option, to such extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise; and
- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a compromise or arrangement between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than a scheme of arrangement contemplated in paragraph 4.3(e) above), the Company shall forthwith give notice thereof to all Grantees who then hold unexercised Options of their entitlements under this paragraph 4.3(g) (and the Grantee (or his legal personal representative) may, within such period as shall be notified by the Company after which the Option shall cease to be exercisable, exercise his Option (whether vested or not) either to its full extent or, in respect of any unvested portion, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three Business Days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

- 4.4 The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and bye-laws of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted to the relevant Grantee on exercise of the Option and accordingly shall entitle the holders to receive all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.
- 4.5 Any Options granted but not exercised may be cancelled with the consent of the Grantee. For the avoidance of doubt, no consent is required to be given by the Grantee where an Option lapses in accordance with paragraph 5 below. Where the Company cancels Options and offers to issue new Options to the same Grantee, the issue of such new Options may only be made under this Scheme within the limits prescribed by paragraph 6, excluding the cancelled Options, and are otherwise granted in accordance with the terms of this Scheme.

## **5. LAPSE OF OPTION**

- 5.1 Without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse, an Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:–
- (a) the expiry of the Option Period;
  - (b) at the end of that date or the expiry of any of the periods referred to in paragraph 4.3 after which the Option shall cease to be exercisable;
  - (c) the date of the commencement of the winding-up of the Company;
  - (d) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 5(d) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s). Transfer of employment or directorship of a Grantee from one member of the Group to another member of the Group shall not be considered a termination of employment or directorship; and

- (e) the date on which the Grantee commits a breach of paragraph 4.1.

## **6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- 6.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any options or awards granted under any other share schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**"). The Scheme Mandate Limit may be refreshed with the approval of Shareholders in general meeting, but no more frequently than permitted under Rule 23.03C of the GEM Listing Rules. The total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any options or awards granted under any other share schemes of the Company under the limit as refreshed must not exceed 10% of the Shares then in issue as at the date of the Shareholders' approval of the refreshed limit. Options lapsed under this Scheme and options or awards lapsed under other share schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit and the limit as refreshed.
- 6.2 The maximum number of Shares subject to a Scheme Mandate Limit shall, notwithstanding the terms of the resolution of Shareholders in general meeting approving such Scheme Mandate Limit, be adjusted proportionately on the effective date of any consolidation or sub-division of Shares subsequent to the date of passing of that resolution, provided that such maximum number of Shares as a percentage of the total number of Shares in issue immediately before or after such effective date shall be the same, other than for rounding to the nearest whole Share.
- 6.3 Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:—
- (a) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought, provided that the number and terms of the Options to be granted must be fixed before such Shareholders' approval; and
  - (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the GEM Listing Rules then prevailing to be included in such circular.



- 6.4 Where any further grant of Options to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person under this Scheme and any other share scheme of the Company (excluding any options and awards lapsed in accordance with terms of the share scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (the “**Individual Limit**”), such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the GEM Listing Rules.

## 7. REORGANISATION OF CAPITAL STRUCTURE

- 7.1 In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:–

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option(s),

or any combination thereof, provided that:–

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph 7.1(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the FAQ and any future guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time,

but no such adjustments shall be made to the extent that a Share would be issued at a price less than its nominal value.

- 7.2 The Company shall engage the Auditor or an independent financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under paragraph 7.1 (other than adjustment made on a capitalisation issue) satisfy the requirements set out in paragraphs 7.1(a) and 7.1(b) above. The capacity of the Auditor or independent financial advisor (as the case may be) in this paragraph 7.2 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditor or independent financial advisor (as the case may be) shall be borne by the Company.
- 7.3 If there has been any alteration in the capital structure of the Company as referred to in paragraph 7.1, the Company shall within 28 days after receipt of a confirmation of the independent financial advisor or the Auditors as referred to in paragraph 7.2, inform the Grantee of such alteration and of any adjustment to be made.
- 7.4 If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved or refreshed by the Shareholders, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all share schemes of the Company under the Scheme Mandate Limit shall automatically be proportionately adjusted provided that such maximum number of shares as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

## **8. SHARE CAPITAL**

- 8.1 The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- 8.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

**9. ALTERATION OF THIS SCHEME**

The specific provisions of this Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of this Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any change to the terms of any Options shall only take effect after approval of the change is given by the Board, the Remuneration Committee, the independent non-executive Directors (as a group) and/or the Shareholders if the grant of that Option was approved by it or them (or their predecessors in that role). The preceding sentences of this paragraph 9 do not apply to alterations taking effect automatically under the existing terms of this Scheme. The Scheme so altered must comply with Chapter 23 and other relevant requirements of the GEM Listing Rules.

**10. CANCELLATION**

10.1 The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may at its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of paragraph 4.1, the Board may cancel any outstanding Option without the relevant Grantee's agreement.

10.2 Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new options may only be made under a scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

**11. TERMINATION**

The Company by ordinary resolution in general meeting, or the Board, may at any time terminate this Scheme and in such event no further Options may be offered or granted but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of Options which are granted during the life of this Scheme (to the extent necessary to give effect to the exercise of such Options) and which remain unexercised or which are exercised but the Shares in respect of such exercised Options have not been issued to the Grantees yet immediately prior to the termination of the operation of this Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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### North Asia Strategic Holdings Limited

### 北亞策略控股有限公司 \*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8080)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of North Asia Strategic Holdings Limited (the “**Company**”) will be held at The Executive Centre, Level 35, Two Pacific Place, No. 88 Queensway, Admiralty, Hong Kong on Thursday, 7th September 2023 at 10:00 a.m. for the following purposes:

As ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March 2023.
2. (a) To re-elect, each as a separate resolution:
  - (i) Mr. Pierre Tsui Kwong Ming as a non-executive director of the Company; and
  - (ii) Mr. Joseph Chan Nap Kee (who has served more than nine years) as an independent non-executive director of the Company.
- (b) To authorise the board of directors of the Company to fix the remuneration of the directors.
3. To re-appoint auditors and to authorise the board of directors of the Company to fix their remuneration.

And as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

*\* for identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any of the warrants or securities of the Company; or (iii) an issue of Shares under the Company's employee share option or award scheme or similar arrangement for the time being and from time to time adopted; or (iv) an issue of Shares as scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or a part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time, shall not exceed the aggregate of:
  - (i) 20% of the total number of Shares in issue at the date of passing this resolution; plus
  - (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue at the date of passing this resolution); and the said approval shall be limited accordingly;
- (d) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, or any applicable law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

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## NOTICE OF ANNUAL GENERAL MEETING

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

“**Shares**” means the ordinary shares of HK\$0.10 each in the share capital of the Company.”

5. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its Shares on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong (“**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, or any applicable law to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Shares” means the ordinary shares of HK\$0.10 each in the share capital of the Company.”

6. “**THAT** conditional upon the passing of resolutions no. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution no. 4 shall be extended by the addition thereto of a number of ordinary shares of HK\$0.10 each in the share capital of the Company (“**Shares**”) representing the total number of Shares repurchased by the Company under the authority granted in resolution no. 5, provided that such number of Shares shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution.”
7. “**THAT** the proposed new share option scheme of the Company as described in the circular of the Company dated 4th August 2023 (the “**New Share Option Scheme**”) (a printed copy of the rules of which being tabled before the meeting and initialled by the chairman of the meeting for the purposes of identification) be approved and adopted and that the Directors be authorised to grant options thereunder and (subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in the shares of the Company to be allotted) to allot and issue shares of the Company pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement the New Share Option Scheme.”

By Order of the Board  
**Law Wai Fai**  
*Company Secretary*

Hong Kong, 4th August 2023

*Principal place of business:*  
Suite 1618, 16/F  
Jardine House  
1 Connaught Place, Central  
Hong Kong

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. The register of members of the Company will be closed from Monday, 4th September 2023 to Thursday, 7th September 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 1st September 2023.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him/her. A proxy need not be a member of the Company.
3. In order to be valid, the completed form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 10:00 a.m. on Tuesday, 5th September 2023 or 48 hours before the time appointed for any adjourned meeting (as the case may be). The completion and depositing of the form of proxy will not preclude the member from attending the meeting and voting in person, if he/she so wishes. In the event that a member attends the meeting, his/her form of proxy will be deemed to have been revoked.
4. The following arrangement will be taken by the Company for the Annual General Meeting:
  - voluntary wearing of surgical face masks (please bring your own mask);
  - no provision of refreshments; and
  - no souvenirs will be distributed.

Shareholders are reminded that they may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.