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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT IN RELATION TO ADOPTION OF SHARE AWARD SCHEME

Reference is made to the announcements of China First Capital Group Limited (the “**Company**”) dated 5 July 2022 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the respective meaning as those defined in the Announcement.

The Company would like to provide further information to its Shareholders and potential investors in relation to the Share Award Scheme.

SCHEME LIMIT

The Company hereby clarifies that the Company shall not make any further award of Awarded Shares to the Selected Persons which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company as at the Adoption Date (being 145,157,000 Shares, based on 1,451,570,000 Shares in issue as at the Adoption Date and having with an aggregate nominal value of HK\$14,515,700). For the avoidance of doubt, such maximum number is not a limit set for yearly basis but the maximum number of the Shares that may be awarded throughout the duration of the Share Award Scheme.

Subject to the terms and conditions of the Share Award Scheme and the requirements of the Listing Rules, the Board may, from time to time at its absolute discretion, select any Eligible Person to participate in the Scheme as a Selected Person, make an offer to the Selected Persons and grant Awarded Shares to such Selected Persons which are to be satisfied by (i) the new Shares to be subscribed by the Trustee under the Company’s available general mandate on the relevant date of grant or under a specific mandate approved or to be approved by the Shareholders; or (ii) purchased by the Trustee in the open market (either on-market or off-market) as directed by the Board.

For the avoidance of doubt, any new Shares to be subscribed by the Trustee under the Share Award Scheme will be issued under the available general mandate in effect on the date of grant. Only when the number of the new Shares to be subscribed exceeds the available general mandate will the Board seek a specific mandate to be approved by the Shareholders to cover any Award to be satisfied by new Shares that fall outside of the available general mandate. As such, the new Shares to satisfy any Awards will be issued under the available general mandate approved by the Shareholders and in effect at the time of the relevant Award, or a specific mandate approved or to be approved by the Shareholders for the relevant Award. The Company therefore considers that Shareholders would be able to evaluate the relevant diluting effect before they vote in respect of the relevant mandate. In any event, the Company will comply with the announcement, Shareholders' approval and other requirements (if and as applicable) under the Listing Rules if the Awards are to be satisfied by the issue and subscription of new Shares.

As at the date of this announcement, the Company does not have detailed plan on the number of Shares and to what extent the Awarded Shares under the Share Award Scheme are to be satisfied by new Shares. As a result, the Company did not propose any annual limit for issuance of new Shares under the Share Award Scheme. If the Company decides to adopt any annual limit, the Company will (i) take into consideration of the principles set out in HKEx-LD40-2 and HKEx-LD40-3 when determining the annual limit, (ii) provide Shareholders with details of the relevant annual limit, and (iii) seek approval from Shareholders for each annual limit.

GRANT OF AWARDS

As at the date of the Announcement, the Company has not identified any target grantee yet.

Each grant of an Award to any Director or connected person of the Company shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). For the avoidance of doubt, any grant of an Award to connected persons of the Company which is satisfied by the allotment and issue of new Shares upon vesting of such an Award will constitute a connected transaction of the Company and shall therefore be subject to compliance with Chapter 14A of the Listing Rules (unless an exemption applies).

By order of the Board
China First Capital Group Limited
Wilson Sea
Chairman and Executive Director

Hong Kong, 19 July 2022

As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Zhao Zhijun and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Dr. Du Xiaotang and Mr. Loo Cheng Guan.