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Prinx Chengshan Holdings Limited

浦林成山控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1809)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report (the “**2022 Annual Report**”) of Prinx Chengshan Holdings Limited (the “**Company**”) for the year ended 31 December 2022. Unless defined otherwise herein, terms used in this announcement shall have the same meaning as those defined in the 2022 Annual Report.

Details of the outstanding Options and Options granted, exercised, cancelled and lapsed during the year ended 31 December 2022 as set out in the 2022 Annual Report are hereby presented in one aggregate table as follows:

Name of the participant	Position(s) held	Date of Grant	Exercise price per Share	As at the date of grant	Number of shares options					Outstanding as at 31 December 2022	Exercise period
					Outstanding as at 1 January 2022	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year		
Che Baozhen	Executive Director	9 July 2019 (“2019 Grant Date”)	HK\$7.244	580,000	580,000	—	—	—	—	580,000	9 July 2020 to 8 July 2025 (Note 1)
Shi Futao	Executive Director	9 July 2019	HK\$7.244	512,000	512,000	—	—	—	—	512,000	9 July 2020 to 8 July 2025 (Note 1)
		28 June 2021 (“2021 Grant Date”)	HK\$8.568	5,000,000	5,000,000	—	—	—	—	5,000,000	28 June 2024 to 27 June 2029 (Note 3)
Cao Xueyu and Company Secretary	Executive Director	9 July 2019	HK\$7.244	225,500	225,500	—	—	—	—	225,500	9 July 2020 to 8 July 2025 (Note 1)
		28 June 2021	HK\$8.568	500,000	500,000	—	—	—	—	500,000	28 June 2024 to 27 June 2029 (Note 3)

Name of the participant	Position(s) held	Date of Grant	Exercise price per Share	Number of shares options						Exercise period	
				As at the date of grant	Outstanding	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year		Outstanding
					as at 1 January 2022						as at 31 December 2022
Other senior management and employees		9 July 2019	HK\$7.244	13,082,500	9,816,750	—	—	810,132	1,813,454	7,193,164	9 July 2020 to 8 July 2025 (Note 1)
		9 July 2020 ("2020 Grant Date")	HK\$7.960	835,500	716,250	—	—	40,500	142,953	532,797	9 July 2021 to 8 July 2025 (Note 2)
		28 June 2021	HK\$8.568	29,550,000	28,800,000	—	—	7,300,000	—	21,500,000	28 June 2024 to 27 June 2029 (Note 3)
		28 September 2022 ("2022 Grant Date")	HK\$8.568	3,080,000	—	3,080,000	—	—	—	3,080,000	28 June 2024 to 27 May 2029 (Note 4)
Total				<u>53,365,500</u>	<u>46,150,500</u>	<u>3,080,000</u>	<u>0</u>	<u>8,150,632</u>	<u>1,956,407</u>	<u>39,123,461</u>	

Note 1 One third of the total number of the share options granted shall be vested and exercisable from the expiry of 12 months, 24 months and 36 months, respectively, on the 2019 Grant Date

Note 2 Half of the total number of share options granted can be vested and exercised after the expiration of 12 months and 24 months from the 2020 Grant Date, respectively

Note 3 Subject to the terms of the 2021 Share Option Scheme, 35% and the remaining 65% of the share options can be vested and exercised at any time after the expiration of 36 months and 60 months from the 2021 Grant Date

Note 4 Subject to the terms of the 2021 Share Option Scheme, 35% and the remaining 65% of the share options can be vested and exercised at any time after the expiration of 21 months and 45 months from the 2022 Grant Date

Note 5 The closing price on the business day immediately preceding the 2022 Grant Date was HK\$6.400 per Share

Note 6 Please refer to the note 26 to the consolidated financial statements in the 2022 Annual Report for the fair value of options at the date of grant and the accounting standard and policy adopted. The valuation of share options is quite subjective and subject to uncertainties, depending on the assumptions used in and limitations of calculation model

Note 7 The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives

Summary of the exercise period, the vesting period and the basis of determining the exercise price of Options granted under the 2019 Share Option Scheme and the 2021 Share Option Scheme are as follows:

2019 Share Option Scheme

Period within which the Option may be exercised by the grantee under the 2019 Share Option Scheme:

The Grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than six years from the date of grant of the relevant Option and include the minimum period, for which an Option must be held before it can be exercised).

Vesting period of Options granted under the 2019 Share Option Scheme:

Subject to the terms of the scheme, Options can be vested at any time after the expiry of a period which may be determined by the Board from the date of grant of the relevant Option.

Basis of determining the exercise price of Options granted:

The exercise price in respect of any Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the exercise price shall not be lower than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

2021 Share Option Scheme

Period within which the Option may be exercised by the grantee under the 2021 Share Option Scheme:

The Grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than eight years from the date of grant of the relevant Option and include the minimum period, for which an Option must be held before it can be exercised).

Vesting period of Options granted under the 2021 Share Option Scheme:

Subject to the terms of the scheme, Options can be vested at any time after the expiry of a period which may be determined by the Board from the date of grant of the relevant Option.

Basis of determining the exercise price of Options granted:

The exercise price shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the exercise price shall not be lower than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

The information contained in this supplemental announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed above, the contents of the 2022 Annual Report remain unchanged.

By Order of the Board
Prinx Chengshan Holdings Limited
Che Hongzhi
Chairman and Non-executive Director

Shandong, the PRC, June 23, 2023

As at the date of this announcement, the Board comprises Mr. Che Baozhen, Mr. Shi Futao and Ms. Cao Xueyu as executive directors; Mr. Che Hongzhi, Mr. Wang Lei and Mr. Shao Quanfeng as non-executive directors; Mr. Zhang Xuehuo, Mr. Choi Tze Kit Sammy and Mr. Wang Chuansheng as independent non-executive directors.