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If you have sold or transferred all your shares in **Central Development Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other registered dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
TERMINATION OF THE SHARE OPTION SCHEME 2016 AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at 24/F., OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong on, Thursday, 7 September 2023 at 10:00 a.m., or any adjournment thereof is set out on pages 29 to 33 of this circular.

Whether or not you are able to attend the Annual General Meeting or any adjourned meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return as soon as practicable to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting. Completion and the delivery of form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

21 July 2023

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders of the Company in its general meeting
“Annual General Meeting”	an annual general meeting of the Company to be held at 24/F., OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong, on Thursday, 7 September 2023 at 10:00 a.m., or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 29 to 33 of this circular
“Articles of Association”	the articles of association of the Company as amended and restated, supplemented or modified from time to time
“Board”	the board of Directors, including all independent non-executive Directors
“Companies Act”	the Companies Act (Cap. 22 Act 3 of 1961, as consolidated and revised) of the Cayman Islands and any amendments or other statutory modifications thereof
“Company”	Central Development Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange (stock code: 0475)
“Director(s)”	the director(s) of the Company
“Eligible Relationship”	the relationship between a Participant and the Company or any Subsidiary or any Invested Entity
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity(ies)”	any entity(ies) in which the Group holds any equity interests and “Invested Entities” shall be constructed accordingly
“Issuance Mandate”	as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board
“Latest Practicable Date”	18 July 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum and Articles of Association”	the existing amended and restated memorandum and articles of association of the Company adopted on 8 September 2022
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Nomination Committee”	the nomination committee of the Company
“Option Period”	in respect of any particular Option, a period (which is of not more than 10 years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the grant letter to the Participant, and expiring on the earliest of the last day of the said period or such time as specified in the New Share Option Scheme
“Participant(s)”	any person(s) being an employee (whether full-time or part time including any executive director), officer (including any non-executive Director and independent non-executive Director), substantial shareholder, consultant, agent, adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any Subsidiary or any Invested Entity, or any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons, or any other person who satisfies the criteria set out in the New Share Option Scheme
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company (or such other nominal value as shall result from a subdivision, consolidation, reclassification or restructuring of such shares from time to time)
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Share Option(s)”	the option(s) to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme 2016”	the share option scheme adopted by the Company on 9 September 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap 622)) of the Company and “Subsidiaries” shall be construed accordingly
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percent

LETTER FROM THE BOARD



CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

Executive Directors:

Mr. Wu Hao (*Chairman*)
Mr. Hu Yangjun
Mr. Chan Wing Yuen, Hubert (*Chief Executive*)
Mr. Zhang Bing

Registered office:

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

Non-Executive Director:

Mr. Li Wei Qi, Jacky

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

Room 2202, 22/F.
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

Independent Non-Executive Directors:

Mr. Jin Qingjun
Ms. Sun Ivy Connie
Ms. Zhong Yingjie, Christina

21 July 2023

To the Shareholders

Dear Sir and Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
TERMINATION OF THE SHARE OPTION SCHEME 2016 AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Repurchase Mandate and the Issuance Mandate to the Directors; (ii) the re-election of the retiring Directors; and (iii) termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

2. REPURCHASE AND ISSUANCE MANDATES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own shares on the Stock Exchange.

At the annual general meeting of the Company held on 8 September 2022, general mandates were given to the Directors to exercise the powers of the Company to undertake repurchases of the Company's fully paid up Shares up to a maximum of 10% of the total number of Shares in issue on the date of passing the said ordinary resolution at the annual general meeting and to allot, issue and deal with new Shares up to 20% of the total number of Shares in issue on the date of passing the said ordinary resolution at the annual general meeting. Such general mandates will continue in force until the conclusion of the forthcoming Annual General Meeting.

Hence, ordinary resolutions will be proposed at the Annual General Meeting:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's fully paid up Shares up to a maximum of 10% of the total number of Shares in issue on the date of passing the relevant ordinary resolution (the "**Repurchase Mandate**");
- (ii) to grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the total number of Shares in issue on the date of passing the relevant ordinary resolution (the "**Issuance Mandate**"); and
- (iii) to extend the Issuance Mandate by the number of Shares repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolution nos. 5A and 5B set out in the notice of Annual General Meeting. Based on 387,564,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be able to allot, issue and deal with for up to a total of 77,512,800 Shares, representing 20% of the issued share capital as at the Latest Practicable Date, if the Issuance Mandate is granted at the Annual General Meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, namely, Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing as executive Directors, Mr. Li Wei Qi, Jacky as non-executive Director, and Mr. Jin Qingjun, Ms. Sun Ivy Connie and Ms. Zhong Yingjie, Christina as independent non-executive Directors.

In accordance with Article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Accordingly, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Ms. Sun Ivy Connie shall retire at the Annual General Meeting. In accordance with Article 83(3) of the Articles of Association. Mr. Zhang Bing, who was appointed as an executive Director on 10 February 2023, shall hold office until the forthcoming Annual General Meeting and shall be eligible for re-election at the Annual General Meeting. All of the retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

In respect of the re-election of Ms. Sun Ivy Connie as an independent non-executive Director, the Nomination Committee of the Company and the Board have followed the nomination policy and the board diversity policy of the Company. The Nomination Committee nominates candidates based on objective criteria set out in the nomination policy of the Company such as business experience, public board experience, standing, time commitment, independence, and the diversity of the Board (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services).

The Nomination Committee and the Board believe that the educational background, work experience and cultural background of Ms. Sun Ivy Connie as set out in the Appendix II to this circular can bring contributions to the Board's diversity and will continue to bring valuable business experience, knowledge and professionalism to the Board.

In addition, Ms. Sun Ivy Connie has given to the Company confirmation of their independence in accordance with rule 3.13 of the Listing Rules respectively. The Board is satisfied that Ms. Sun Ivy Connie has the required characters and integrity. The Board, therefore, considers Ms. Sun Ivy Connie to be independent and believes she should be re-elected as independent non-executive Directors at the Annual General Meeting.

Given the extensive knowledge and experience of each of Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert, Ms. Sun Ivy Connie and Mr. Zhang Bing, the Nomination Committee and the Board believe that their re-election as Directors are in the best interests of the Company and the Shareholders, and therefore recommend to Shareholders for their re-election at the Annual General Meeting. Ms. Sun Ivy Connie and Mr. Chan Wing Yuen, Hubert, who are a member of the Nomination Committee, abstained from discussion and voting at the Nomination Committee meeting regarding their respective nomination.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED TERMINATION OF THE SHARE OPTION SCHEME 2016 AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Share Option Scheme 2016 was adopted by the Company on 9 September 2016 and will expire on 8 September 2026. Following the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022, Chapter 17 of the Listing Rules was amended and became effective from 1 January 2023. In light of the above, the Board proposes to recommend to the Shareholders to terminate the Share Option Scheme 2016 and adopt the New Share Option Scheme by way of the ordinary resolution at the Annual General Meeting. No further options will be granted under the Share Option Scheme 2016 following its termination, but in all other respects its provisions shall remain in full force and effect.

As at the Latest Practicable Date, 34,947,000 outstanding exercisable Options have been granted under the Share Option Scheme 2016. The Board has no present intention to grant further options under the Share Option Scheme 2016.

Under the Share Option Scheme 2016, as at the Latest Practicable Date, a total of 82,787,000 Options were granted thereunder to subscribe for an aggregate of 82,787,000 Shares, out of which 42,210,000 Options were exercised, 5,630,000 Options had lapsed, no Option had been cancelled, and 34,947,000 Option remained unexercised or outstanding.

Upon the proposed termination of the Share Option Scheme 2016, no further options can be granted thereunder. The Directors consider that the Company should adopt the New Share Option Scheme and wish to take the opportunity of the Annual General Meeting to seek Shareholders' approval therefor. It is proposed that subject to the approval of the Shareholders at the Annual General Meeting of the adoption of the New Share Option Scheme and the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon the exercise of the Options that may be granted under the New Share Option Scheme, the New Share Option Scheme will take effect. The terms of the New Share Option Scheme have been prepared in compliance with Chapter 17 of the Listing Rules. The Company will continue to comply with the relevant Listing Rules from time to time in force in respect of the New Share Option Scheme. Summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

The Board proposes the adoption of the New Share Option Scheme, which will be valid for 10 years from the date of its adoption.

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or any Invested Entity (if applicable), to motivate the Participants to optimize their performance and efficiency for the benefit of the Group and the Invested Entities, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group and the Invested Entities.

LETTER FROM THE BOARD

The Board considers that the New Share Option Scheme will facilitate the retention and the recruitment of high-calibre staff of the Group and/or any Invested Entity (if applicable) and attract resources that are valuable to the Group or Invested Entities. To ensure that this purpose is achieved, the New Share Option Scheme provides that the Board will grant Options only to Participants who have made valuable contributions to the business of the Group or Invested Entities based on their performance and/or years of service, or who are regarded as valuable resources of the Group or Invested Entities based on their work experience, knowledge in the industry and other relevant factors, or are expected to be able to contribute to the prosperity, business development or growth of the Group or Invested Entities based on their business connection or network or other relevant factors.

The Board may in its absolute discretion prescribe the terms on which the Option(s) is to be granted (including (i) the exercise price of the Option (subject to Listing Rule requirements) and (ii) the minimum period for which an Option(s) must be held and/or a performance target which must be achieved before an Option can be exercised) either on a case by case basis or generally. The Directors are of the view that the New Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to Participants to contribute to the Group and to enable the Group to attract valuable human resources.

The New Share Option Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme and the termination of the Share Option Scheme 2016; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

As at the Latest Practicable Date, there were 387,564,000 Shares in issue. The total number of Shares which may be issued under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 38,756,400 Shares, representing 10% of the Shares in issue as at the Adoption Date, assuming that no further Shares shall will be issued or repurchased between the Latest Practicable Date and the Adoption Date.

LETTER FROM THE BOARD

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the Annual General Meeting and the termination of the Share Option Scheme 2016, the total number of the Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the "**Scheme Mandate Limit**") shall not exceed 10% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. Within the Scheme Mandate Limit, the total number of the Shares which may be issued in respect of all Options to be granted to the service provider(s) under the New Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the "**Service Provider Sublimit**") shall not exceed 1% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit. The Board is of the view that the relatively low threshold of 1% can provide adequate safeguard against excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

Save as disclosed in Appendix III, no dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on a liquidation of the Company).

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

In addition, the calculation of the value of the Options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

None of the Director is trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A copy of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company at Room 2202, 22/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages 29 to 33 of this circular. At the Annual General Meeting, resolutions will be proposed to approve the granting of the Repurchase Mandate and the Issuance Mandate, the re-election of the retiring Directors and termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the extent that the Directors are aware, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the proposed resolutions at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete and sign the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish and in such event, the form of proxy shall be deemed to be revoked.

6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members will be closed from Monday, 4 September 2023 to Thursday, 7 September 2023 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 1 September 2023, for registration.

7. RECOMMENDATIONS

The Directors consider that the proposed granting of the Repurchase Mandate and the Issuance Mandate, the re-election of the retiring Directors and the termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme are all in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

8. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement — Repurchase Mandate), Appendix II (Details of the Retiring Directors proposed to be re-elected at Annual General Meeting) and Appendix III (Summary of the Principal Terms of the New Share Option Scheme) to this circular.

9. RESPONSIBILITY STATEMENT

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

Yours faithfully,
By Order of the Board
Central Development Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the granting of the Repurchase Mandate to be proposed at the Annual General Meeting.

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

1. REASONS FOR SHARE REPURCHASE

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 387,564,000 Shares of HK\$0.01 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 38,756,400 Shares, representing not more than 10% of the issued share capital of the Company.

3. FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the Companies Act. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Act.

There might be material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out 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 or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. GENERAL

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

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during the previous 12 months preceding the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
July	0.87	0.67
August	0.79	0.73
September	0.82	0.63
October	0.79	0.63
November	0.74	0.60
December	0.70	0.51
2023		
January	0.65	0.50
February	0.55	0.50
March	0.53	0.35
April	0.38	0.30
May	0.39	0.345
June	0.44	0.345
July (up to the Latest Practicable Date)	0.44	0.425

6. DISCLOSURE OF INTERESTS

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

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

APPENDIX I EXPLANATORY STATEMENT — REPURCHASE MANDATE

7. EFFECT OF THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of SFO and to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued Share capital of the Company were as follows:

Name of Shareholders	Capacity	Total Number of Shares Held in the Company	Approximate percentage total issued Shares
Resources Rich Capital Limited ^{Note 1}	Beneficial interest	204,718,000	52.82%
Mr. Hu Yangjun ^{Note 2}	Interests of controlled corporation and personal interest	208,171,000	53.71%
Mr. Hu Yishi ^{Note 3}	Interests of controlled corporation and personal interest	207,454,000	53.53%
Ms. Zhang Qi ^{Note 4}	Interest of spouse	208,171,000	53.71%
Ms. Lin Min, Mindy ^{Note 5}	Interest of spouse	207,454,000	53.53%
Mr. Zhang Bing ^{Note 6}	Personal interest	74,070,270	19.11%

Notes:

- 50% of the entire issued share capital of Resources Rich Capital Limited is owned by Mr. Hu Yangjun while the other 50% is owned by Mr. Hu Yishi. Mr. Hu Yangjun and Mr. Hu Yishi are deemed to be interested in all the Shares in which Resources Rich Capital Limited is interested by virtue of the SFO.
- Mr. Hu Yangjun had a direct interest of 3,453,000, of which 387,000 Shares are outstanding share options grant by the Company to subscribe for 387,000 Shares at exercise price of HK\$0.574 per Share, and a deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited, a company 50% owned by Mr. Hu Yangjun, within the meaning of Part XV of the SFO.
- Mr. Hu Yishi had a direct interest of 2,736,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited, a company 50% owned by Mr. Hu Yishi, within the meaning of Part XV of the SFO.
- Ms. Zhang Qi is the spouse of Mr. Hu Yangjun. Accordingly, she is deemed to be interested in the same number of Shares and underlying Shares in which Mr. Hu Yangjun is interested in pursuant to the SFO.
- Ms. Lin Min, Mindy is the spouse of Mr. Hu Yishi. Accordingly, she is deemed to be interested in the same number of Shares and underlying Shares in which Mr. Hu Yishi is interested in pursuant to the SFO.

APPENDIX I EXPLANATORY STATEMENT — REPURCHASE MANDATE

6. Mr. Zhang Bing had a direct interest of 74,070,270, of which 70,270,270 Shares are outstanding the convertible bond of the Company in the principal amount of HK\$52,000,000 issued by the Company to convert for 70,270,270 Shares at conversion price of HK\$0.74 per Share and 3,800,000 Shares are outstanding share options grant by the Company to subscribe for 3,800,000 Shares at exercise price of HK\$0.574 per Share.

Assuming that there would not be any change in the issued share capital of the Company prior to the repurchase of Shares and that the above Shareholders would not dispose of its Shares nor acquire additional Shares prior to any repurchase of Shares, if the Repurchase Mandate were exercised in full, the percentage of shareholding of the above Shareholders would be increased as follows:

Name of Shareholder	Approximate percentage of shareholding immediately prior to the exercise of the Repurchase Mandate in full	Approximate percentage of shareholding immediately after the exercise of the Repurchase Mandate in full
Resources Rich Capital Limited	52.82%	58.69%
Mr. Hu Yangjun	53.71%	59.68%
Mr. Hu Yishi	53.53%	59.48%
Ms. Zhang Qi	53.71%	59.68%
Ms. Lin Min, Mindy	53.53%	59.48%
Mr. Zhang Bing	19.11%	21.24%

The Directors consider that such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Company has no present intention to exercise the Repurchase Mandate to the extent as would result in (a) the number of Shares in public hands falling below the prescribed minimum percentage of 25% of the issued share capital of the Company; and (b) a requirement to make a mandatory offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

Stated below are the details of the following Directors who will retire and be eligible for re-election at the Annual General Meeting according to the Articles of Association:

Mr. Hu Yangjun (“Mr. Hu”)

Mr. Hu, aged 49, is an executive Director. He joined the Group in November 2011 and is responsible for reviewing and improving the operations of the Group. Mr. Hu has corporate management experience in information technology, international trade and energy and environmental protection. Mr. Hu graduated from Anhui Normal University and he was a member of All-China Youth Federation. Mr. Hu has worked as senior management in Zhejiang Orient Financial Holdings Group Co., Ltd* (浙江東方金融控股集團股份有限公司) (stock code: 600120) and Insigma Technology Co.,Ltd* (浙大網新科技股份有限公司) (stock code: 600797), both companies listed on The Shanghai Stock Exchange. Mr. Hu was previously an executive director of Shenghua Lande Scitech Limited (stock code: 8106) and Neo Telemedia Limited (stock code: 8167), both companies listed on the GEM of the Stock Exchange. He also served as a director of Asia Environmental Holdings Limited, which was listed on the Singapore Stock Exchange.

Mr. Hu has entered into a service contract with the Company and is subject to retirement by rotation and is eligible for re-election at the Annual General Meeting in accordance with the Articles of Association. Mr. Hu is entitled to fixed annual emoluments of approximately HK\$300,000, with bonus payable at the discretion of the Board and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Hu’s effort and expertise and is subject to review by the Board from time to time. The length of service is for a fixed term of one year and will be renewed automatically if no objection is raised by both parties.

As at the Latest Practicable Date, Mr. Hu had a direct interest of 3,066,000 Shares and held 380,000 Share Options at the exercise price of HK\$0.574 per Share granted under the Share Options Scheme. Mr. Hu also had deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited, a company 50% owned by him, within the meaning of Part XV of the SFO, and as such is a controlling shareholder of the Company.

Mr. Hu is a cousin of Mr. Wu Hao, an executive Director of the Company, and Mr. Hu Yishi, a controlling shareholder of the Company.

Save as disclosed above, Mr. Hu (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold any other positions with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Hu that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that needs to be brought to the attention of the Shareholders in respect of his re-election.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

Mr. Chan Wing Yuen, Hubert (“Mr. Chan”)

Mr. Chan, aged 65, is our chief executive and an executive Director. He joined the Group in November 2011 and is responsible for business policy formulation and execution. He has held directorship position within the other members of the Group. Mr. Chan has been an executive director of Zhonghua Gas Holdings Limited (stock code: 8246) since August 2014, a company listed on the GEM of the Stock Exchange. Mr. Chan has also been an independent non-executive director of Tian Ge Interactive Holdings Limited (stock code: 1980) since June 2014 and FIT Hon Teng Limited (stock code: 6088) since November 2016, both companies listed on the Stock Exchange. Mr. Chan spent over ten years with the Stock Exchange and his last position was director of the listing division in charge of the China Listing Affairs Department. Mr. Chan also held various senior management positions, including the chief executive, director, executive director and independent non-executive director, with companies listed on the Stock Exchange. He was previously a director of Guangdong Investment Limited (stock code: 270), an independent non-executive director of China Smarter Energy Group Holdings Limited (stock code: 1004), an executive director and the chief executive of EverChina Int’l Holdings Company Limited (stock code: 202) and an executive director of China Pipe Group Limited (stock code: 380). He was also an independent non-executive director of Xinjiang La Chapelle Fashion Co., Ltd, a company listed on the Stock Exchange (stock code: 6116) and The Shanghai Stock Exchange (stock code: 603157). Mr. Chan obtained a higher diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mr. Chan is an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute and is also a member of the Hong Kong Securities and Investment Institute and a fellow of The Hong Kong Institute of Directors. Mr. Chan is a member of the tenth, eleventh and twelfth sessions of the Chinese People’s Political Consultative Conference — Heilongjiang Province Committee in the PRC.

Mr. Chan has entered into a service contract with the Company and is subject to retirement by rotation and is eligible for re-election at the Annual General Meeting in accordance with the Articles of Association. Mr. Chan is entitled to fixed annual emoluments of HK\$1,950,000, with bonus payable at the discretion of the Board and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Chan’s effort and expertise and is subject to review by the Board from time to time. The length of service is for a fixed term of one year and will be renewed automatically if no objection is raised by both parties.

As at the Latest Practicable Date, Mr. Chan has a direct interest 3,300,000 Shares and held 3,800,000 Share Options at the exercise price of HK\$0.574 per Share granted under the Share Option Scheme.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

Save as disclosed above, Mr. Chan (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold any other positions with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Chan that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

Ms. Sun Ivy Connie (“Ms. Sun”)

Ms. Sun, aged 44, was appointed as an independent non-executive Director in November 2018. Ms. Sun is experienced in primary market investments, fund raising and fund management. She is currently the director, as well as the founder, of an asset management institution focusing on privately offered investment opportunities. Ms. Sun had worked at a British law firm in Hong Kong and a PRC law firm in Beijing, China. During her practice, she specialised in mergers and acquisitions, financial restructuring and listing. Ms. Sun obtained a Bachelor of Laws from Victoria University of Wellington in New Zealand. She was admitted as a barrister and solicitor of the High Court of New Zealand.

Ms. Sun has entered into a letter of appointment with the Company for a fixed term of one year and will be renewed automatically if no objection is raised by both parties. She is subject to retirement by rotation at least once every three years at the annual general meeting of the Company and is eligible for re-election pursuant to the articles of the association of the Company. Ms. Sun is entitled to a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Ms. Sun’s effort and expertise and is subject to review by the Board from time to time.

Ms. Sun does not have any interest of Shares as at the Latest Practicable Date.

Save as disclosed above, Ms. Sun (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Ms. Sun that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of her re-election.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

Mr. Zhang Bing (“Mr. Zhang”)

Mr. Zhang, aged 52, was appointed as an executive Director in February 2023. He is a director of Chengdu Kaibangyuan Trading Co., Limited* (成都凱邦源商貿有限公司), an indirect non-wholly-owned subsidiary of the Group. Mr. Zhang obtained a Master of Business Administration degree from the Asia Metropolitan University in 2017 and was admitted to the CEO program of Cheung Kong Graduate School of Business (長江商學院) in 2020. Mr. Zhang has engaged in the energy business for over 25 years and has held management positions in a number of Chinese companies in the oil and gas industry. He has extensive experience in business development, sales and marketing and business operation in the industry.

Mr. Zhang has entered into a service contract with the Company and is subject to retirement by rotation and is eligible for re-election at the Annual General Meeting in accordance with the Articles of Association. Mr. Zhang is entitled to bonus payable at the discretion of the Board and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Zhang’s effort and expertise and is subject to review by the Board from time to time. The length of service is for a fixed term of one year and will be renewed automatically if no objection is raised by both parties.

As at the Latest Practicable Date, Mr. Zhang held 3,800,000 Share Options at the exercise price of HK\$0.574 per Share granted under the Share Option Scheme and the convertible bond of the Company in the principal amount of HK\$52,000,000 issued by the Company to convert for 70,270,270 Shares at conversion price of HK\$0.74 per Share.

Save as disclosed above, Mr. Zhang (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the Shares within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Zhang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

* *Translation for identification purposes only*

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or the Invested Entities, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group and the Invested Entities, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group and the Invested Entities.

2. WHO MAY JOIN

The Board may grant (subject to acceptance by the Participant in accordance with the terms of the New Share Option Scheme) to any Participant who, the Board may determine in its absolute discretion, has made valuable contributions to the business of the Group or Invested Entities based on his/her/its performance and/or years of service, or is regarded as valuable resources of the Group or the Invested Entities based on his/her/its work experience, knowledge in the industry and other relevant factors, or is expected to be able to contribute to the prosperity, business development or growth of the Group or the Invested Entities based on his/her/its business connection or network or other relevant factors, and subject to such terms and conditions (which shall not be inconsistent with the New Share Option Scheme and the Listing Rules) as the Board may in its absolute discretion consider appropriate, an Option to subscribe for such number of Shares as the Board may determine at the subscription price, provided that no such grants shall be made except to such number of Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising.

3. GRANT OF OPTION

On and subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time during the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the subscription price.

A grant of an Option shall be made to a Participant by letter (the “**Grant Letter**”) in such form as the Board may from time to time determine. The grant shall be personal to the Participant concerned and not transferable and shall remain open for acceptance by the Participant for a period of 28 days from the Grant Date, provided that no such grant shall be open for acceptance after the expiry of the Scheme Period or after the New Share Option Scheme has been terminated (if applicable).

An Option shall be regarded as having been accepted when the duplicate of the Grant letter, comprising acceptance of the Option, duly signed by the Participant together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the Company within the 28-day period referred to in the preceding paragraph. The remittance shall not be refundable. Any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a board lot in which Shares are traded on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter and accepted by such Participant. To the extent that the grant of an Option is not accepted within 28 days from the Grant Date (or such shorter period as is mentioned in the Grant Letter) in the manner indicated in this paragraph, the grant will be deemed to have been irrevocably declined and shall lapse.

No Option may be made after an event which constitutes inside information (as defined in the SFO) of the Group has occurred or such matter has been the subject of a decision until such inside information has been announced in accordance with the Listing Rules and the SFO nor within the period commencing one month immediately before the earlier of (a) the date of the board meeting of the Company for the approval of the Company's results for any financial period; and (b) the deadline for the Company to publish an announcement of its results for any financial period, and ending on the date of such results announcement (including any period of delay in publishing such results announcement).

4. SUBSCRIPTION PRICE

The subscription price for Shares under the New Share Option Scheme will be a price determined by the Board and notified to each Grantee and will be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Grant Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheet for the five Business Days immediately preceding the Grant Date; and (c) the nominal value of a Share.

5. VESTING PERIOD

Save for the circumstances prescribed below, the vesting period of the Options granted to any Participant shall not be less than 12 months.

The Board shall have the authority to determine a shorter vesting period under the following specific circumstances:

- (a) grants of "make-whole" Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an employee whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons had to wait for the subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted; and
- (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant.

6. MAXIMUM NUMBER OF SHARES

- (a) Subject to the approval of the Shareholders in general meeting, the maximum number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other schemes of the Company shall not in aggregate exceed 10 per cent of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**"); and

- (b) Within the Scheme Mandate Limit, the total number of shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted to the Service Providers under any other schemes of the Company shall not in aggregate exceed 1% of the Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”).

Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

- (c) The Company may, subject to the approval of the Shareholders in general meeting and the issue of a circular in accordance with the requirements of the Listing Rules, refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment). However, the total 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 schemes of the Company under the limit as “refreshed” must not exceed 10 per cent. (10%) of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit and/or the Service Provider Sublimit. Options or awards lapsed in accordance with the terms of the Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- (d) The Company may grant Options to specifically identified Participant(s) beyond the Scheme Mandate Limit provided that the grant of such Options is specifically approved by the Shareholders in general meeting and a circular is issued in accordance with the requirements of the Listing Rules.
- (e) No Participant shall be granted an Option which would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue unless the grant of such Option is specifically approved by the Shareholders in general meeting and a circular in relation to the proposal for such further grant is issued in accordance with the requirements of the Listing Rules from time to time. The Participant and his associates shall abstain from voting at such general meeting. The number and terms (including the subscription price) of Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

7. REQUIREMENTS ON GRANTING TO CONNECTED PERSONS

If Options are granted to a Connected Person, the granting of such Options will be subject to approval by the independent non-executive directors of the Company (excluding any independent non-executive Director who is a Grantee of the Options). Where any grant of Options to an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the Shares in issue, such grant of Options must be approved by the Shareholders in compliance with rule 17.04(4) of the Listing Rules. A circular to Shareholders in connection with obtaining the aforesaid Shareholders' approval shall be prepared by the Company.

8. TIME OF EXERCISE OF OPTION AND PERFORMANCE TARGET

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee during the Option Period.

Unless specified in the terms of any relevant offer, the Grantee of an option is not required to achieve any performance under the New Share Option Scheme.

9. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this paragraph, forthwith revoke any Option granted to such Grantee (to the extent not already exercised) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damage against the Company or any of its directors for such revocation provided that the Company has acted in good faith.

10. RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an outstanding Option ceasing to be such employee or officer for any reason, other than his death, ill health, disability or insanity or the termination of his employment or office on one or more of the grounds specified in paragraph 16(e), the grantee may only exercise the option within a period of one (1) month thereafter (or such longer period as the Board may determine).

11. RIGHTS ON DEATH

Subject to paragraph 16(e), if the Grantee of an outstanding Option dies, the personal representatives of the Grantee may only exercise the option within a period of twelve (12) months thereafter (or such longer period as the Board may determine).

12. RIGHTS ON ILL HEALTH

Subject to paragraph 16(e), if the Grantee of an outstanding Option ceasing to be such employee or officer by reason of ill health, disability or insanity and none of the events which would be a ground for termination of his employment or office specified in paragraph 16(e) has occurred, such Grantee or the legal personal representative(s) of that Grantee may only exercise the option within a period of six (6) months thereafter (or such longer period as the Board may determine).

13. RIGHTS ON TAKEOVER

If a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse.

14. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his legal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than thirty (30) days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Act, in connection with a proposed compromise or arrangement between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within twenty-one (21) days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent specified in such notice.

15. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (or his or her personal representative(s)) on the same day as it gives notice of the meeting to, its shareholders or creditors to consider such compromise or agreement, and thereupon the Grantee (or his or her personal representative(s)) may, during the period commencing with the date of the aforesaid notice and ending with the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of an Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Board shall endeavour, subject to applicable laws and regulations, to procure that the Shares issued as a result of the exercise of the Options under this paragraph shall for the purpose of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

16. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in paragraphs 10, 11, 12, 13 or 14;
- (c) subject to paragraph 14, the earliest of the close of business on the second Business Day prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in paragraph 14 or the date of the commencement of the winding up of the Company;
- (d) save as otherwise provided in paragraph 13 or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Act by the Supreme Court of Bermuda of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (e) where the Grantee is an employee (including any executive director) or an officer (including any non-executive director and independent non-executive director) of the Company or any Subsidiary, the date on which the Grantee ceases to be such employee or officer by reason of the termination of his employment or office on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (f) where the Grantee is in an Eligible Relationship (other than in a position as an employee or officer) with the Company or any Subsidiary, the date on which the Grantee ceases to be in such Eligible Relationship with the Company or any Subsidiary for any reason;
- (g) where the Grantee commits a breach as stated in paragraph 9, the date on which the Board shall exercise the Company's right to cancel the Option;
- (h) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or
- (i) the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the grant of an Option, if any.

17. EFFECTS OF REORGANISATION OF TO CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in: (i) the number of Shares subject to the New Share Option Scheme; (ii) the number of Shares subject to outstanding Options; and/or; (iii) the subscription price in relation to each outstanding Option, provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this paragraph, other than any made on a capitalisation issue, an independent financial adviser or the auditor of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing provision. The capacity and role of the independent financial adviser or the auditor of the Company under this paragraph is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the auditor of the Company shall be borne by the Company.

18. RANKING OF SHARES

The Shares to be allotted upon exercise of Options will be subject to all the provisions of the Bye-laws and will rank *pari passu* in all respects with the other Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the relevant date of allotment.

19. CANCELLATION OF OPTIONS GRANTED

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 in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the New Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10-per cent. limits as referred to in paragraph 6 above.

20. PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain valid for a period of 10 years commencing on the Adoption Date (subject to early termination).

The Company may by resolution in general meeting or at a meeting of the Board at any time terminate the operation of the New Share Option Scheme and in such event no further Option shall be offered or accepted but the Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.

21. ALTERATION TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees unless approved by the Shareholders in general meeting. Any change to the terms of the Option granted to a Grantee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme. Any alteration to the terms and conditions of this Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme and to terminate the Share Option Scheme 2016; and (b) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Annual General Meeting**”) of Central Development Holdings Limited (the “**Company**”) will be held at 24/F., OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong on Thursday, 7 September 2023 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

As Ordinary Business:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 March 2023;
2.
 - (a) To re-elect Mr. Hu Yangjun as an executive Director.
 - (b) To re-elect Mr. Chan Wing Yuen, Hubert as an executive Director.
 - (c) To re-elect Ms. Sun Ivy Connie as an independent non-executive Director.
 - (d) To re-elect Mr. Zhang Bing as an executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration; and
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

5A. **“THAT**

- (a) subject to paragraph (b) below, the directors of the Company be hereby generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of any of such powers during or after the end of the Relevant Period.
- (b) the aggregate number of the shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, other than pursuant to (i) a Rights Issue (as defined below); or (ii) an issue of shares of the Company by way of scrip dividend pursuant to the articles of association of the Company from time to time; or (iii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire, shares of the Company, shall not in total exceed 20% of the total number of shares of the Company in issue on the date of passing this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares for subscription open for a fixed period by the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then 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 any recognized regulatory body or any stock exchange in, or in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5B. **“THAT**

- (a) the directors of the Company be generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws;
- (b) the total number of shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue on the date of passing this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”

5C. **“THAT** conditional upon the ordinary resolutions no. 5A and no. 5B contained in the notice of the Annual General Meeting of which this resolution forms part being approved, the aggregate number of shares of the Company which are repurchased by the Company pursuant to and in accordance with ordinary resolution no. 5B shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution no. 5A.”

6. **“THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the Shares fall to be issued pursuant to the exercise of any options granted under the new share option scheme, a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the Chairman hereof (the **“New Share Option Scheme”**), the New Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to grant options to the eligible participants under the New Share Option Scheme and to allot and issue Shares upon the exercise of any options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the New Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 9 September 2016 (the “**Share Option Scheme 2016**”) be and is hereby terminated with effect from the date on which the New Share Option Scheme shall become unconditional and effective, and shall cease to have any effect except that the Share Option Scheme 2016 will remain in full force and effect to the extent necessary to give effect to the exercise of any option granted under the Share Option Scheme 2016 prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Share Option Scheme 2016.”
7. “**THAT** conditional upon the New Share Option Scheme being approved and adopted by way of ordinary resolution of the Company numbered 6(a) above, the sublimit on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all share schemes of the Company of 1 per cent of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”

By Order of the Board
Central Development Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 21 July 2023

As at the date of this notice, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing; a non-executive Director, Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun Ivy Connie and Ms. Zhong Yingjie, Christina.

Notes:

- (1) For the purpose of determining the shareholders who are entitled to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Monday, 4 September 2023 to Thursday, 7 September 2023, both dates inclusive. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 1 September 2023.
- (2) In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and for good corporate governance practice, the Chairman of the Board has indicated that he would direct that each of the resolutions set out in the notice of the Annual General Meeting be voted on by poll. The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com) respectively.
- (3) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (4) In order to be valid, the form of proxy must be deposited at the Company's branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or certified copy of such power of attorney or authority, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and the delivery of form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.
- (5) A form of proxy for use in connection with the Annual General Meeting is enclosed and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com) respectively.
- (6) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force within a period of two (2) hours before the commencement of the Annual General Meeting, subject to consent of the meeting, the Annual General Meeting will be adjourned. The Company will post an announcement on the Company's website (www.475hk.com) and the Stock Exchange's website (www.hkexnews.hk) to notify Shareholders about the date, time and place of the adjourned meeting. The Annual General Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Annual General Meeting under bad weather condition bearing in mind their own situations.