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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Apex Group 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 agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

**(1) CONDITIONAL GRANT UNDER THE SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of China Apex Group Limited to be held at The Boardroom, Lobby Level, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 29 November 2023 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to China Apex Group Limited's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

9 November 2023

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) 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.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company adopted on 27 June 2023, and as amended from time to time
“associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Company”	China Apex Group Limited (中國恒泰集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conditional Grant”	the conditional grant of the Share Options to Mr. Yip and Mr. Lin
“Conditional Grantee(s)”	Mr. Yip and Mr. Lin
“Conditional Grant Effective Date”	the date on which the approval of the Conditional Grant is obtained from the Shareholders
“connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“Employee Participant”	Director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Share Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be convened and held at The Boardroom, Lobby Level, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 29 November 2023 at 11:00 a.m. to consider and approve the Conditional Grant
“Grantee(s)”	Mr. Yip, Ms. Cheung and Mr. Lin
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	6 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lin”	Mr. Lin Sunming, a senior management of the Company, one of the Grantees
“Mr. Yip”	Mr. Yip Siu Lun Dave, the Chairman and an executive Director, one of the Grantees
“Ms. Cheung”	Ms. Cheung Ka Yuen, an executive Director, one of the Grantees
“Net Profit”	audited consolidated net profit of the Company (excluding the option expense incurred by the vesting of any Share Options in that relevant financial year) for the relevant financial year
“Remuneration Committee”	the remuneration committee of the Company
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	share option(s) granted or to be granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Share Option Scheme”	the share option scheme adopted by the Company on 30 May 2023
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Validity Period”	5 years from the Conditional Grant Effective Date
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.



中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2011)

Executive Directors:

Mr. Yip Siu Lun Dave (*Chairman*)
Mr. Mak Yung Pan Andrew
Mr. Wu Cody Zhuo-xuan
Ms. Cheung Ka Yuen

Non-executive Director:

Ms. Lin Ping

Independent Non-executive Directors:

Mr. Leung Ka Tin
Mr. Cheng Hong Kei
Mr. Liew Fui Kiang
Mr. Ko Kwok Shu

Registered Office:

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Suite 10A and 10B, 15/F
Nine Queen's Road Central
Central, Hong Kong

9 November 2023

To the Shareholders

Dear Sir or Madam,

**(1) CONDITIONAL GRANT UNDER THE SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 27 September 2023 in relation to, among other things, the Conditional Grant to Mr. Yip who is the Chairman and an executive Director and Mr. Lin who is a senior management of the Group.

The purpose of this circular is to provide you with (i) information in respect of the resolutions to be proposed to seek approval of the Shareholders in respect of the Conditional Grant to Mr. Yip and Mr. Lin; and (ii) the notice of the EGM and forms of proxy.

LETTER FROM THE BOARD

CONDITIONAL GRANT UNDER THE SHARE OPTION SCHEME

On 27 September 2023, the Board (including the independent non-executive Directors, but save and except Mr. Yip and Ms. Cheung who have abstained from voting) resolved to grant an aggregate of 55,776,480 Share Options pursuant to the Share Option Scheme, of which, 33,465,888 Share Options were conditionally granted to Mr. Yip, 5,577,648 Share Options were granted to Ms. Cheung and 16,732,944 Share Options were conditionally granted to Mr. Lin under the Share Option Scheme. The Conditional Grant is subject to the approval by the Shareholders at the EGM.

Details of the Share Options conditionally granted to Mr. Yip and Mr. Lin are as follows:

Date of Conditional Grant	:	27 September 2023
Number of Share Options Conditionally Granted	:	a total of 50,198,832 Share Options (each Share Option shall entitle the Conditional Grantees to subscribe for one Share), of which: (i) 33,465,888 Share Options were conditionally granted to Mr. Yip, the Chairman and an executive Director; and (ii) 16,732,944 Share Options were conditionally granted to Mr. Lin, a senior management of the Company.

Subject to the approval by Shareholders at the EGM, following the Conditional Grant of the Share Options above, there will be no more Shares available for future grant under the current scheme mandate of the Share Option Scheme.

Exercise Price of Share Options Conditionally Granted	:	HK\$1.09 per Share (representing no less than the highest of (i) the average closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days (as defined in the Listing Rules) immediately preceding the date of the Conditional Grant, being HK\$1.056; (ii) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of the Conditional Grant, being HK\$1.09; and (iii) the nominal value of the Shares).
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LETTER FROM THE BOARD

Closing Price : HK\$1.09 per Share
of Shares on
the date of
the
Conditional
Grant

Validity Period : 5 years from the Conditional Grant Effective Date.
of Share
Options

Vesting period : Subject to the fulfillment of the performance target as set out below,
and exercise the Share Options shall be vested and exercised during the following
period of period:
Share
Options

Name of Conditional Grantee	Number of Share Option	Vesting and Exercise Period
Mr. Yip	33 ¹ / ₃ % of the Share Options granted (being 11,155,296 Share Options)	Conditional Options I will be vested and exercisable from the expiry of 12 months of the date of the Conditional Grant Effective Date (the “ First Vesting Date ”) up to the end of the Validity Period. If the Performance Target 2023 (as defined below) is not met on or before 30 April 2024,
Mr. Lin	33 ¹ / ₃ % of the Share Options granted (being 5,577,648 Share Options) (collectively, the “ Conditional Options I ”)	Conditional Options I (together with Conditional Options II (as defined below)) will be vested and exercisable after the Second Vesting Date (as defined below) on the condition that the Performance Target 2024 (as defined below) is met.

LETTER FROM THE BOARD

Name of Conditional Grantee	Number of Share Option	Vesting and Exercise Period
Mr. Yip	33 ¹ / ₃ % of the Share Options granted (being 11,155,296 Share Options)	Conditional Options II will be vested and exercisable from the expiry of 24 months of the date of the Conditional Grant Effective Date (the “ Second Vesting Date ”) up to the end of the Validity Period. If the Performance Target 2024 is not met on or before 30 April 2025, Conditional Options II (together with Conditional Options I, if not vested) will be vested and exercisable after the Third Vesting Date (as defined below) on the condition that the Performance Target 2025 (as defined below) is met.
Mr. Lin	33 ¹ / ₃ % of the Share Options granted (being 5,577,648 Share Options) (collectively, the “ Conditional Options II ”)	
Mr. Yip	33 ¹ / ₃ % of the Share Options granted (being 11,155,296 Share Options)	Conditional Options III will be vested and exercisable from the expiry of 36 months of the date of the Conditional Grant Effective Date (the “ Third Vesting Date ”) up to the end of the Validity Period. If the Performance Target 2025 (as defined below) is met on or before 30 April 2026, Conditional Options III (together with Conditional Options I and Conditional Options II, if not vested) will be vested and exercisable after the Third Vesting Date. However, if the 2025 Performance Target is not met on or before 30 April 2026, Conditional Options III (together with the Conditional Options I and Conditional Options II, if not vested) will automatically lapse.
Mr. Lin	33 ¹ / ₃ % of the Share Options granted (being 5,577,648 Share Options) (collectively, the “ Conditional Options III ”)	

LETTER FROM THE BOARD

Performance Target : The vesting and exercise of the Share Options shall be subject to the following performance target:

Performance period	Performance target
For the financial year ending 31 December 2023	Net Profit shall not be lower than HK\$15,000,000 (“ Performance Target 2023 ”)
For the financial year ending 31 December 2024	Net Profit shall not be lower than HK\$22,500,000 (“ Performance Target 2024 ”)
For the financial year ending 31 December 2025	Net Profit shall not be lower than HK\$30,000,000 (“ Performance Target 2025 ”)

The above targets were determined with reference to the Group’s consolidated revenue, profit after tax and the net profit margin for the financial year of 2022; and the income that may be generated from the management agreement entered into in August 2023 for the management of the premises currently operated as the Jiajinlong Car City (嘉進隆汽車城) (which was the subject of the Company’s announcement dated 30 August 2023).

The purpose of the Conditional Grant is to motivate and retain the Conditional Grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions.

Having considered that: (a) the Conditional Grantees’ experiences in the Group’s business, contribution and dedication to the promotion of the Group’s business; (b) they as the executive Director and senior management directly and significantly contributes to the overall business performance, sustainable development and/or good corporate governance of the Group; and (c) the Share Options will be vested to them in 3 tranches on an annual basis over a period of 3 years from the Conditional Grant Effective Date where the value of the Share Options will be linked to future prices of the Shares which in turn will depend upon the performance of the Company, the Remuneration Committee considers (especially the minimum vesting period and the performance target) that the Conditional Grant to the Conditional Grantees will align the long-term interests of the Conditional Grantees with those of the Company and the Shareholders, motivate them to commit themselves to the Company’s continued competitiveness, operating results and growth in the future and reinforce their commitment to the long-term service of the Company, and is therefore consistent with the objectives of the Share Option Scheme.

LETTER FROM THE BOARD

- Early Termination Events and Clawback Mechanism : As set out in the Share Option Scheme, the exercise period of the Share Option shall automatically terminate and that Share Option (to the extent not already exercised) shall lapse at the earliest of:
- (a) the expiry of the exercise period as may be determined by the Directors;
 - (b) the expiry of any of the periods for exercising of the Share Option referred to in the Share Option Scheme;
 - (c) the date of commencement of the winding-up of the Company;
 - (d) in respect of a grantee who is an employee of the Group when an offer is made to him/her, the date on which the grantee ceases to be an employee of the Group by reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has been liable for a material misstatement in the Company's financial statements, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute and does not involve his integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his employment summarily;
 - (e) the date on which the Directors shall exercise the Company's right to cancel the Share Option by reason of a breach as stated in the Share Option Scheme by the grantee in respect of that or any other Share Option; and
 - (f) in respect of a grantee who is a prospective employee of the Group being offered a Share Option as an inducement to enter into employment contracts with the Company, the date on which the Board shall at their absolute discretion determine that the grantee no longer has interest to join the Group as an employee or the termination date of the employment offer specified in the offer to the grantee (if any).

LETTER FROM THE BOARD

A resolution of the Directors or written communication on behalf of the Board to the effect that the employment of a grantee has been terminated on one or more of the grounds specified above has occurred shall be conclusive and binding on all persons who may be affected thereby.

Transfer of employment of a grantee who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a grantee who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the grantee.

In addition to the early termination events in the Share Option Scheme as summarised above, which are applicable to all the Conditional Grantees, the Share Option shall lapse if a Conditional Grantee ceases to be an Employee Participant by reason of (a) termination of the Conditional Grantee's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement, or (b) termination of the Conditional Grantee's employment or contractual engagement with the Group by reason of redundancy, any outstanding Share Options (to the extent not already exercised) shall immediately lapse, unless the Board determines otherwise at their absolute discretion.

If there is any judgment, decree or award which has been implemented against the Conditional Grantees or the Board has reason to believe that the Conditional Grantees are insolvent or cannot reasonably be expected to pay his debts in the future, such Share Options (to the extent not already exercised) shall automatically lapse and become unexercisable.

LETTER FROM THE BOARD

The Conditional Grantees are required to pay HK\$1.00 on acceptance of the Share Options. Such payment shall not be refundable in all circumstances. The Group has not provided any financial assistance to the Conditional Grantees for the purchase of Shares under the Share Option Scheme.

The Shares to be allotted upon the exercise of the Share Options will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date when the name of the Conditional Grantee is registered on the register of members of the Company and accordingly shall have the same voting rights, rights of transfer and other rights, including those arising on liquidation of the Company as attached to the Shares in issue on the date of such allotment and will entitle the holders thereof to participate in all dividends or distributions paid or made on or after the name of the Conditional Grantee is registered on the register of members of the Company, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when the name of the Conditional Grantee is registered on the register of members of the Company. A Share issued upon the exercise of a Share Option shall not carry any voting rights, dividend, transfer or other rights (including those arising on a liquidation of the Company) until the name of the Conditional Grantee has been duly entered on the register of members of the Company as the holder thereof. For the avoidance of doubt, the aforementioned rights do not attach to the Share Options themselves.

REASONS FOR THE CONDITIONAL GRANT

The purpose of the Share Option Scheme is to reward the participants who have contributed or will contribute to the Group and to encourage the participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The grant of share options is to provide incentives rewards, remunerations and/or benefits in retaining the Grantees for continuous operation and development of the Group; and for their persistent devotions and leadership by further aligning the interests of the Group with them, thereby enhancing the value for the Shareholders in the long term.

Mr. Yip, as an executive Director and the Chairman of the Board, is principally responsible for overseeing the overall management, business operation and development of the Group. He has over 40 years of experience in banking financing and investment industry. Before joining the Company, Mr. Yip was the Chief Financial Officer of Maple International Group (China) Company Limited (“MIG”), a company incorporated in Hong Kong focusing on property development, from 2014 till 2022, in which he is responsible for project management and financing. From 1990 through 2003, Mr. Yip worked as a senior banking manager in Tamara Bank, Indonesia. From 1983 to 1989, he was with Merrill Lynch sales and trading department. With his seniority, superb experience and leadership skills, the Group can enjoy Mr. Yip’s considerable business experience and network to formulate business strategies and development plans for the Group.

LETTER FROM THE BOARD

Mr. Lin is the Chief Investment Officer and is principally responsible for investment and financing management of the Company in both Mainland China and Hong Kong. He has significant work and deal experience in asset management in terms of both public and private financial markets investments such as IPOs, private equity and liquidity management. He also has abundant expertise in credit financing such as debt paper issuance in both public and private markets. Before joining the Company, Mr. Lin worked as Chief Investment Officer of China Shipbuilding Capital Limited (“CSCL”). Before CSCL, Mr. Lin worked in Private Banking industry in Hong Kong. Before moving to Hong Kong, he worked as an Attorney at Law in Mainland China. Leveraging his experience and expertise, Mr. Lin has been assisting Mr. Yip and the Board in formulating business strategies and executing corporate developments for the Group.

Rewards for contribution and performance

As mentioned above, Mr. Yip is principally responsible for overseeing the overall management, business operation and development of the Group. Mr. Lin is the Chief Investment Officer and is principally responsible for investment and financing management of the Company in both Mainland China and Hong Kong.

The principal activities of the Group are design, manufacture and sale of finished zippers and other garment accessories etc. in China. The Group recorded losses since the financial year ended 31 December 2017. According to the Company’s 2022 annual report, the Russian-Ukraine conflict, the impact from the pandemic, and the competition between major powers has led to global inflation. With the costs of raw materials and energy remaining high, there has been an increase in labour costs across the industrial chain. Moving forward to 2023, though there has been a decline of impact from the pandemic, inflation remains a significant challenge. Accordingly, the Board believes that there is a need for the Group to diversify its business strategies by expanding its scope of business to broaden the source of income of the Group, which will generate a sustainable long-term value for the Shareholders.

Under the leadership of Mr. Yip and Mr. Lin from early 2022, the Group successfully developed and built up an investment team and a team providing management services, which have discharged the following functions:

- Building up a clearer strategic roadmap for the Group based on the rapid changing market conditions.

LETTER FROM THE BOARD

- Leveraging on their resources and connection, develop new business in a cost-effective manner. With the efforts of Mr. Yip, Ms. Cheung and Mr. Lin, the Group has entered into a management agreement for the management of the premises currently operated as the Jiajinlong Car City (嘉進隆汽車城) with showrooms for car sales, and offers car maintenance and after sales services, etc., details of which are set out in the announcement of the Company dated 31 August 2023. As disclosed, the Board believes that the entering into of such management agreement and stepping into the property and enterprise management sector represents a good opportunity for the Group to diversify its existing business and broaden the income stream of the Group, which will potentially improve the Group's business operations and financial position.
- Facilitating cooperation with various parties and continuing to develop the business of the Group.

Under the management of Mr. Yip and Mr. Lin, the financial performance of the Group has recorded the following improvement in 2022:

- The Group recorded a turnaround in profit for the year ended 31 December 2022 of approximately HK\$658,000 as compared to the same period of 2021, a loss before taxation of approximately HK\$16.91 million.
- Improved the Group's capital structure as the total equity of approximately HK\$206 million was recorded as at 31 December 2022, compared to approximately HK\$165 million as at 31 December 2021.
- Strengthened the Group's financial position by placing of new shares under general mandate and obtained net proceeds (after deducting the placing commission and other related expenses and professional fees) from the placing of new shares amounted to approximately HK\$68.6 million in July 2022.

Given the important roles played by Mr. Yip, Ms. Cheung and Mr. Lin in the Group, the Board believes that the Group will be able to grasp further potential business opportunities by leveraging their experience, business networks and management skills, which will be of critical importance to the future development of the Group.

LETTER FROM THE BOARD

In determining the number of the Share Options granted to the Grantees, the Board considered factors such as time commitment, duties and responsibilities, past experience, the contributions and expected future contributions of each of Mr. Yip, Ms. Cheung and Mr. Lin. The Board has considered to incentivize Mr. Yip, Ms. Cheung and Mr. Lin via monetary compensation. However, this will increase the cash outflow of the Group and impose a greater financial burden on the Group. Unlike cash compensation, the grant of Share Options will only incur share-based payment expenses which are non-monetary in nature. Furthermore, the exercise of Share Options will provide additional working capital to the Group. The grant of Share Options to the Grantees enables the Group to preserve its cash resources for future business diversification and expansion while serving the purpose to incentivize Mr. Yip, Ms. Cheung and Mr. Lin, which aligns with the purpose of the Share Option Scheme.

The Board (save and except Mr. Yip and Ms. Cheung who had abstained from voting) is of the view that the grant of Share Options to the Grantees which forms part of their respective remuneration package can serve to incentivize them to further contribute to the long-term development of the Group and align their interests with that of the Company and the Shareholders as a whole. Therefore, the Board (save and except Mr. Yip and Ms. Cheung who had abstained from voting) considered that the grant of Share Options to the Grantees is in the interests of the Company and its Shareholders.

THE GROUP'S REMUNERATION POLICIES AND CURRENT MARKET PRACTICE

The Group considers its employees to be its greatest and most valuable asset. The Company's remuneration policies echo, amongst others, a special remuneration package of all executive Directors and senior management which shall be determined and based on factors such as market practice, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Board and the Remuneration Committee have considered other means to incentivise Mr. Yip and Mr. Lin, including offering higher monetary remuneration. However, such other means would increase the cash outflow of the Group, thereby imposing a greater financial burden on the Group. Different from monetary remuneration, the Conditional Grant would not result in a significant financial burden on the Group in the form of cash remuneration, but will only incur non-monetary share-based payment expenses. In addition, the exercise of the Share Options of the Conditional Grant would increase the Company's equity by up to approximately HK\$54,717,000 (assuming the Share Options of the Conditional Grant are fully exercised), which can provide additional operating funds for the Group. The Conditional Grant enables the Group to retain cash resources for business expansion while supplementing the remuneration packages of Mr. Yip and Mr. Lin as an incentive. The terms of the Conditional Grant are also subject to restriction under the Share Option Scheme and Chapter 17 of the Listing Rules. Therefore, the Board and the Remuneration Committee consider the Conditional Grant and terms of the Share Options to be consistent with the Company's remuneration policies and reasonable.

LETTER FROM THE BOARD

For the purposes of considering whether the Conditional Grant is in line with market practice, the Board made reference to the grants of share options or awards by other listed companies on the Main Board of the Stock Exchange to executive directors or senior management that were announced from 1 April 2023 up to and including the Latest Practicable Date and have obtained the required shareholders' approval. The summary table below is a non-exhaustive list based on the abovementioned criteria and sets out the recent market practice adopted by listed companies in respect of granting of share options or awards to executive directors or senior management (the “**Recent Grant Precedent(s)**”):

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Baozun Inc (9991.HK)	The group is mainly engaged in the provision of brand e-commerce solutions. The group operates under three business models, (1) distribution model; (2) service fee model; and (3) consignment model.	3 April 2023	executive director, chief executive officer and chairman	0.99%	1–4 years
Everest Medicines Limited (1952.HK)	The group is a China-based company principally engaged in the licensing, clinical development and commercialization of therapies to address critical unmet medical needs. The group is focusing on the research and development of innovative drug candidate. The group built a portfolio of promising clinical-stage drug candidates across oncology, immunology, cardio-renal disease and infectious disease.	3 April 2023	executive director and chief executive officer	0.50%	1–4 years
			executive director and chief financial officer	0.09%	No more than 3 years
			other senior management	0.01% to 0.06%	1–4 years/no more than 3 years

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Transcenta Holding Limited (6628.HK)	The group is a China-based investment holding company engaged in the discovery, research, development, manufacturing and business development of biopharmaceuticals in the clinical stage.	6 April 2023	executive vice president, global medicine development and chief medical officer	0.12%	May have vesting period shorter than 12 months subject to the fulfillment of the relevant performance targets
Clover Biopharmaceuticals Limited (2197.HK)	The group is mainly engaged in pharmaceutical business. The group's main business is the development of new vaccines and biotherapeutic candidates for infectious diseases, cancer and autoimmune diseases.	11 April 2023	executive director, chief executive officer and substantial shareholder	0.92%	1–4 years
			executive director, chairman and substantial shareholder	0.15%	
East Buy Holding Limited (1797.HK)	The group is a China-based company mainly engaged in the provision of online education courses. The group operates business through three segments, (1) college education segment; (2) K-12 education segment; and (3) pre-school education segment.	11 April 2023	executive director and chief executive officer	0.30%	1–3 years

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
China Star Entertainment Limited (326.HK)	The group has two continuing reportable segments, (1) film related business operations; and (2) property development and investment operations.	29 May 2023	vice chairman and executive director	6.67%	1–2 years
Central China Management Company Limited (9982.HK)	The group is principally engaged in the provision of project management services throughout all phases of property development projects.	30 May 2023	executive director chief executive officer	0.28% 0.36%	1–3 years
Central China New Life Limited (9983.HK)	The group is principally engaged in provision of property management services and related value-added services. The group has three segments, (1) property management and value-added services segment; (2) lifestyle services segment; and (3) commercial property management and consultation services segment.	30 May 2023	executive director executive director	0.47% 0.23%	1–3 years
Hopefluent Group Holdings Limited (733.HK)	The group is principally engaged in property agency businesses. The group mainly operates through three segments, (1) primary property real estate agency segment; (2) secondary property real estate agency segment; and (3) property management segment.	16 June 2023	executive director and president executive director and chairman	4.50% 1.74%	1–3 years

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Clarity Medical Group Holdings Limited (1406.HK)	The group is mainly engaged in the provision of ophthalmic consultation and treatment services. The group mainly provides refractive treatment services including Smile surgeries, multifocal IOL (intraocular lens) replacements and ICL (implantable contact lens) implantations.	4 July 2023	executive director and chief executive officer	0.95%	2 years
Fairwood Holdings Limited (52.HK)	The group is principally engaged in restaurants operation business. The group operates two businesses, (1) fast-food restaurants operation business; and (2) property investment business.	5 July 2023	executive director and chief executive officer	0.80%	1 year
Netjoy Holdings Limited (2131.HK)	The group is principally engaged in the provision of online advertising solutions services. The group has three segments, (1) online marketing solutions business segment; (2) software as a service (SaaS) segment; and (3) other business segment.	17 July 2023	executive director and senior vice president vice president of finance head of marketing center senior vice president and a joint company secretary	1.37% 1.32% 1.24% 1.20%	1–3 years

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Yoho Group Holdings Limited (2347.HK)	The group is principally engaged in the online-merge-offline (OMO) business through e-commerce platforms. The Company is engaged in the operation of business-to-consumer (B2C) e-commerce platforms, business-to-business to-consumer (B2B2C) sales to end customers via reward scheme platforms and third-party online marketplaces.	21 July 2023	chairman, chief executive officer, executive director and substantial shareholder	1%	1–4 years
Quam Plus International Financial Limited (952.HK)	The group is an investment holding company mainly engaged in the brokerage business. The group operates its business through six segments, (1) brokerage segment; (2) corporate finance segment; (3) asset management segment; (4) interest income segment; (5) investments segment; and (6) others segment.	21 July 2023	executive director	0.20%	1–3 years
			executive director	0.40%	

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Gemilang International Limited (6163.HK)	The group is engaged in the manufacturing of bodywork for commercial vehicles, including but not limited to buses and coaches. Its segments include sales of bus bodies and kits, sales of parts and provision of relevant services and sales of program and related intellectual property (IP) rights.	18 August 2023	chairman, executive director, chief executive officer and substantial shareholder	0.99%	The share options shall be vested on the date of obtaining the independent shareholders' approval at the extraordinary general meeting.
Shandong Weigao Group Medical Polymer Company Limited (1066.HK)	The group is principally engaged in the research and development, production and sale of single-use medical devices. The group operates through three business segments, (1) single use medical device products segment; (2) orthopaedic products segment; and (3) blood purification products segment.	31 August 2023	executive director and chairman executive director and chief executive officer	0.22% 0.13%	1–5 years

LETTER FROM THE BOARD

Company name (Stock Code)	Principal activities	Date of announcement in relation to grant of share options or awards	Position of individual grantee	Approximate percentage of the share options or awards granted, to the number of issued shares of the company	Vesting period
Genor Biopharma Holdings Limited (6998.HK)	The group is China-based company mainly engaged in the research and development of biopharmaceutical products. The group focuses on the development and commercialization of oncology and autoimmune drugs.	31 August 2023	executive director and chief executive officer	1.93%	1-4 years (performance- based options and awards) Within ten years from the date of grant (milestone- based options and awards)

Source: website of the Stock Exchange (www.hkex.com.hk)

The approximate percentages of the Conditional Grant to the number of issued shares of the Company are within the range of the Recent Grant Precedents of approximately 0.01% to 6.67% as set out in the table above. The Board noted that the business nature and scale of each company above vary, however, the presentation of the table above provides a general reference to the recent market practice in relation to similar types of share-based payment to executive directors and/or senior management, which were approved by these companies' respective shareholders. The Board and the Remuneration Committee are of the view that (i) the Recent Grant Precedents selected based on the criteria above are representative of recent market practice in relation to the grants of share options or awards to executive directors or senior management, and serves as one of the references and factors for the Board and the Remuneration Committee in considering the reasonableness of the Conditional Grant; and (ii) the provision of a competitive remuneration package by the Group, where the package structure is aligned with job responsibilities, qualifications, performance and years of experience of an individual, is crucial to retain talent for the long-term development of the Group.

Having considered all the above factors, the Remuneration Committee is of the view that the Conditional Grant is a part of the remuneration packages and an incentive to encourage Mr. Yip and Mr. Lin for their dedication and contributions to the Group in the future, and the Conditional Grant is in line with the Company's remuneration policies and market practice, therefore, the Remuneration Committee has recommended the Board to approve the Conditional Grant.

LETTER FROM THE BOARD

BASIS OF DETERMINING THE TERMS AND CONDITIONS OF THE CONDITIONAL GRANT

The primary duties of the Remuneration Committee are to, amongst others, review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management, by reference to their respective duties, responsibilities, experience and qualification, and make recommendations to the Board.

In determining the Conditional Grant, the Remuneration Committee had considered the following factors: (a) the time commitment and responsibilities of Mr. Yip as Chairman of the Board and executive Director and the leadership that he brings to the Group; (b) the time commitment and responsibilities with the Group of Mr. Lin as the Chief Investment Officer; (c) they are key senior management and are crucial to the future development of the Group's business; and (d) the dilution effect of the Conditional Grant is not significant.

Having considered all the above factors, the Remuneration Committee considered that the Conditional Grant will align the interests of Mr. Yip and Mr. Lin with those of the Company and the Shareholders, motivate them to commit themselves to the Company's continued competitiveness, operating results and growth in the future and is therefore consistent with the objectives of the Share Option Scheme. Therefore, the Remuneration Committee had recommended the Board to approve the Conditional Grant. The Board considers that the economic benefits of the Share Options depend upon the increase in share price of the Company which can be driven by improving the operational performance of the Group. Thus, the Conditional Grant provides an incentive to Mr. Yip and Mr. Lin to increase the profitability of the Group, thereby raising the share price and share value of the Group and benefit all the Shareholders.

The Conditional Grant forms part of the remuneration package for the Conditional Grantees. Given their seniority and experience, their remuneration would align with the existing practice of the Group of awarding share options to employees and senior management and market practice. This would also encourage the executive management to focus on the Company's long-term performance and better align their interests with that of the Shareholders while promoting retention. Accordingly, the Conditional Grant is in line with the remuneration policies of the Company and the market practice.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of Share Options by the Company to any Director, chief executive, or Substantial Shareholder(s) of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Directors who are the grantees of the Share Options concerned). The grant of Share Options to Mr. Yip and Ms. Cheung has been reviewed and approved by the independent non-executive Directors accordingly.

Pursuant to Rule 17.03D(1) of the Listing Rules and the terms of the Share Option Scheme, if the grant of Share Options to a grantee would result in the Shares in issue and to be issued under all Share Options and awards granted to such grantee by the Company during the 12-month period up to and including the date of grant (excluding any Share Options and awards which have lapsed under the terms of the Share Option Scheme) in excess of 1% of the relevant class of shares of the Company in issue, then the Company must convene a separate general meeting to seek Shareholders' approval (at which the grantee and its close associates or, in the case of the grantee who is a connected person, its associates must abstain from voting).

As the total number of Shares to be issued upon exercise of the abovementioned Share Options proposed to be granted to each of Mr. Yip and Mr. Lin exceeds the 1% of the relevant class of Shares of the Company in issue, the grant of the abovementioned Share Options to them will be subject to approval by the Shareholders at a general meeting pursuant to Rules 17.03D(1) of the Listing Rules, where Mr. Yip and Mr. Lin and their respective associates shall abstain from voting on the relevant resolution(s) at the EGM pursuant to the Listing Rules.

Mr. Yip and Ms. Cheung, being executive Director of the Company, have abstained from voting on the Board resolutions for considering and approving the grant of Share Options to Ms. Cheung and the Conditional Grant to Mr. Yip. Save for the aforesaid, none of the Directors has a material interest in the resolutions approving the grant to the Grantees. The Conditional Grant has been approved by the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the relevant resolutions which would be required to abstain from voting on the relevant resolutions at the EGM.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (a) as at the date of the Latest Practicable Date; and (b) immediately after the allotment and issuance of new Shares upon the full exercise of 55,776,480 Share Options by the Grantees (representing (i) approximately 10% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 9.09% of the enlarged total number of Shares in issue, assuming that the 55,776,480 Share Options granted are fully exercised), assuming there being no other change in the share capital

LETTER FROM THE BOARD

or shareholding of the Company from the Latest Practicable Date to the date of such allotment and issuance of new Shares:

	As at the Latest Practicable Date		Immediately after the allotment and issue of new Shares upon the full exercise of 55,776,480 Share Options by the Grantees	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders:				
Central Eagle Limited (<i>Note 1</i>)	130,897,663	23.47	130,897,663	21.33
China Sun Corporation (<i>Note 2</i>)	133,706,331	23.97	133,706,331	21.79
Golden Diamond Inc. (<i>Note 3</i>)	26,566,126	4.76	26,566,126	4.33
Directors and senior management:				
Mr. Yip			33,465,888	5.45
Ms. Cheung			5,577,648	0.91
Mr. Lin			16,732,944	2.73
Public Shareholders	<u>266,594,680</u>	<u>47.80</u>	<u>266,594,680</u>	<u>43.45</u>
Total	<u>557,764,800</u>	<u>100</u>	<u>607,963,632</u>	<u>100</u>

Note 1: Central Eagle Limited is wholly-owned by Mr. Wu Jingming.

Note 2: China Sun Corporation (“**China Sun**”) is wholly-owned by Mr. Qiu Chuanzhi. Mr. Chan Ho Yin and Mr. Li Kin Long Kenny have been appointed joint and several receivers (the “**Receivers**”) of, amongst others, the Shares beneficially owned by China Sun. For details of the appointment of the Receivers, please refer to the announcement of the Company dated 11 October 2021.

Note 3: Golden Diamond Inc. (“**Golden Diamond**”) is owned as to 60% by Ms. Lin Ping, a non-executive Director, and as to 25% by Mr. Mak Yung Pan Andrew, an executive Director. The Shares beneficially owned by Golden Diamond are under receivership of the Receivers. For details of the appointment of the Receivers, please refer to the announcement of the Company dated 11 October 2021.

EXTRAORDINARY GENERAL MEETING

Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposal for the Conditional Grant of the 50,198,832 Share Options to the Conditional Grantees.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed herewith. If you are not able to attend and/or vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, the resolutions put to vote at the EGM will be taken by way of poll.

Conditional Grant

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, with regard to the Conditional Grant to Mr. Yip and Mr. Lin, none of Mr. Yip, Mr. Lin, and their respective associates held any Shares of the Company as at the Latest Practicable Date.

RECOMMENDATION

The Board (including all the independent non-executive Directors, but save and except Mr. Yip) is of the view that the terms of the Conditional Grant are fair and reasonable and the Conditional Grant is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board (including all the independent non-executive Directors, but save and except Mr. Yip) recommends the Shareholders to vote in favour of the ordinary resolutions in relation to the Conditional Grant to be proposed at the EGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board
China Apex Group Limited
Wu Cody Zhuo-xuan
Executive Director



中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of China Apex Group Limited (the “**Company**”) will be held at The Boardroom, Lobby Level, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 29 November 2023 at 11:00 a.m. to transact the following businesses:

ORDINARY RESOLUTIONS

1. **“THAT** the grant of 33,465,888 share options to Yip Siu Lun Dave, an executive director of the Company, entitling him to subscribe for 33,465,888 ordinary shares of HK\$0.01 each in the share capital of the Company (“**Share(s)**”) at an exercise price of HK\$1.09 per Share (the principal terms and conditions of such grant are set out in the circular of the Company dated 9 November 2023 (the “**Circular**”)) under and pursuant to the share option scheme of the Company adopted by a resolution of the shareholders of the Company on 30 May 2023 (the “**Share Option Scheme**”) and on such terms as stipulated in the offer letter issued by the Company pursuant to the Share Option Scheme be and is hereby approved, confirmed and ratified, **THAT** the board of Directors of the Company (“**Board**”) be and is hereby authorized to exercise all rights and powers available to it as it may in its sole discretion consider necessary or expedient to give full effect to the grant of the above-mentioned share options to Yip Siu Lun Dave and the issue of the Shares upon the exercise of such share options by him, and **THAT** any and all such acts to effect the aforesaid grant be and are hereby approved, confirmed and ratified.”
2. **“THAT** the grant of 16,732,944 share options to Lin Sunming, a senior management of the Company, entitling him to subscribe for 16,732,944 Shares at an exercise price of HK\$1.09 per Share (the principal terms and conditions of such grant are set out in the Circular) under and pursuant to the Share Option Scheme and on such terms as stipulated in the offer letter issued by the Company pursuant to the Share Option Scheme be and is hereby approved, confirmed and ratified, **THAT** the Board be and is hereby authorized to exercise all rights and powers available to it as it may in its sole discretion consider necessary or expedient to give full effect to the grant of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

above-mentioned share options to Lin Sunming and the issue of the Shares upon the exercise of such share options by him, and **THAT** any and all such acts to effect the aforesaid grant be and are hereby approved, confirmed and ratified.”

By Order of the Board
China Apex Group Limited
Wu Cody Zhuo-xuan
Executive Director

Hong Kong, 9 November 2023

As at the date of this notice, the executive Directors are Mr. Yip Siu Lun Dave, Mr. Mak Yung Pan Andrew, Mr. Wu Cody Zhuo-xuan and Ms. Cheung Ka Yuen; the non-executive Director is Ms. Lin Ping; and the independent non-executive Directors are Mr. Leung Ka Tin, Mr. Cheng Hong Kei, Mr. Liew Fui Kiang and Mr. Ko Kwok Shu.

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be delivered to the Company's branch share registrar and transfer office 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 Meeting or any adjournment thereof.
3. In order to qualify to attend and vote at the Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m., Thursday, 23 November 2023. For determining the entitlement to attend and vote at the Meeting or any adjournment thereof, the record date is fixed on Thursday, 23 November 2023. Shareholders whose names appear on the register of members of the Company at the close of business on the record date will be entitled to attend and vote at the Meeting.
4. Where there are joint holders of any Share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. The Company encourages that the shareholders to consider appointing the chairman of the Meeting as his/her proxy to vote on the relevant resolution at the Meeting, instead of attending the Meeting in person.
6. If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time after 6:00 a.m. on the date of the Meeting, then the Meeting will be adjourned in accordance with the existing articles of association of the Company and the shareholders will be informed of the date, time and place of the adjourned meeting and, if necessary, be given notice thereof pursuant to the existing articles of association of the Company.