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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 Strategic Holdings Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

**GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Strategic Holdings Limited (the “**Company**”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 29 June 2020 at 10:00 a.m. or any adjournment thereof is set out on pages 25 to 29 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

26 May 2020

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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 to be adopted by the resolution of the Shareholders at the AGM;
“AGM”	annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 29 June 2020 at 10:00 a.m.;
“AGM Notice”	notice convening the AGM as set out on pages 25 to 29 of this circular;
“Articles”	Articles of Association of the Company (as amended from time to time);
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Associated Company(ies)”	has the meaning ascribed to it under the Takeovers Code;
“Auditors”	auditors for the time being of the Company;
“Board”	Board of Directors of the Company or a duly authorised committee thereof;
“Business Day(s)”	a day (other than a Saturday or a Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for the business of dealing in securities;
“Buy-back Mandate”	general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to buy back Shares not exceeding 10% of the total number of Shares at the date of passing of the resolution for approving such mandate;
“Buy-back Resolution”	proposed ordinary resolution as referred to in resolution no. 5 of the AGM Notice;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

DEFINITIONS

“Company”	China Strategic Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“core connected person”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to make an offer to a Participant, whether or not the offer is subject to the Shareholders’ approval;
“Directors”	director(s) of the Company;
“Existing Share Option Scheme”	existing share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 10 June 2011;
“Grantee(s)”	any Participant who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries and Associated Companies and “Group Member” means any of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the total number of Shares at the date of passing of the resolution for approving such mandate;
“Latest Practicable Date”	19 May 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;

DEFINITIONS

“Listing Committee”	listing sub-committee of the directors of the Stock Exchange elected or appointed in accordance with their articles, and where the context so permits, any committee and sub-committee thereof;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	new share option scheme to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM;
“Option(s)”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme;
“Option Period”	in respect of any particular Option, such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the Date of Grant of the Option and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised;
“Participant(s)”	any employees (whether full time or part time), executives or officers of any Group Member (including executive and non-executive Directors) and any business consultants, agents, financial or legal advisers who the Board considers, in its sole discretion, will contribute or have contributed to any Group Member;
“PRC”	People’s Republic of China;
“Scheme Period”	the period of 10 years commencing from the Adoption Date;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option;
“subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Trading Day(s)”	a day on which the Stock Exchange is open for the business of dealing in securities;
“Takeovers Code”	The Code on Takeovers and Mergers; and
“%”	per cent.

In the event of any inconsistency, the English text of this circular, the AGM Notice and the accompanying proxy form shall prevail over the Chinese text.

LETTER FROM THE BOARD



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

Non-executive Director:

Dr. Or Ching Fai (*Chairman*)

Executive Directors:

Mr. Sue Ka Lok (*Chief Executive Officer*)

Ms. Lee Chun Yeung, Catherine

Mr. Chow Kam Wah

Registered Office:

Rooms 3206-3210, 32nd Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

Independent Non-executive Directors:

Ms. Ma Yin Fan

Mr. Chow Yu Chun, Alexander

Mr. Leung Hoi Ying

26 May 2020

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed general mandates to issue Shares and to buy back Shares and to extend the general mandate to allot, issue and deal with Shares by adding to it the number of Shares bought back; (ii) the proposed re-election of Directors; and (iii) the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, ordinary resolutions will be proposed which, if passed, will give the Directors a general mandate to allot, issue and deal with new Shares representing up to (i) 20% of the total number of Shares in issue at the date of passing of the resolution plus (ii) the number of the Shares that can be bought back by the Company (under the authority granted pursuant to the Buy-back Resolution) subsequent to the passing of such resolution.

On the basis of a total of 16,987,713,835 Shares in issue at the Latest Practicable Date and assuming that no other Shares will be issued or bought back whatsoever between the Latest Practicable Date and the AGM, the Issue Mandate (if granted by the Shareholders at the AGM) will empower the Directors to allot, issue and deal with up to a maximum of 3,397,542,767 new Shares, being 20% of the total number of Shares in issue at the Latest Practicable Date.

GENERAL MANDATE TO BUY BACK SHARES

The ordinary resolution in relation to the Buy-back Mandate, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to buy back Shares not exceeding 10% of the total number of Shares in issue at the date of the passing of the resolution.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Buy-back Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles, Dr. Or Ching Fai, Ms. Lee Chun Yeung, Catherine and Mr. Chow Yu Chun, Alexander will retire by rotation at the AGM and, being eligible, will offer themselves for re-election as Directors at the AGM.

Biographical details of the above retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Mr. Chow Yu Chun, Alexander (“**Mr. Chow**”) has been appointed as Independent Non-executive Director since March 2011. As of the date of this circular, Mr. Chow has served the Board for more than nine (9) years. The Nomination Committee, after assessing the independence of Mr. Chow including (i) Mr Chow’s annual confirmation of independence provided in accordance with Rule 3.13 of the Listing Rules; (ii) the absence of his involvement in the daily management of the Company; and (iii) the absence of any relationships or circumstances which would interfere with the exercise of his independent judgement and his professional background, is of the view that Mr. Chow has satisfied the criteria of independence as set out in Rule 3.13 of the Listing Rules. Mr. Chow possesses the required character, integrity and experience to continuously fulfil his role as an Independent Non-executive Director effectively. The Nomination Committee has therefore recommended to the Board that Mr. Chow be re-elected as Independent Non-executive Director. With his valuable guidance and contribution made to the Company over the years, and his extensive experience and understanding of the operation and business of the Company, the Board believes that his re-election as Independent Non-executive Director will be in the interests of the Company and the Shareholders as a whole and Mr. Chow should be re-elected as Independent Non-executive Director of the Company at the AGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 10 June 2011 and has a validity of 10 years.

The Existing Share Option Scheme is due to expire in June 2021 and the Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme with terms in compliance with Chapter 17 of the Listing Rules. Upon termination of the Existing Share Option Scheme, no further options will be granted thereunder; however, the rules of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of option granted prior to its termination or otherwise as may be required in accordance with the rules of the Existing Share Option Scheme. Options granted prior to such termination will continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. At the Latest Practicable Date, there was no option outstanding under the Existing Share Option Scheme.

Save for the Existing Share Option Scheme, the Company has no other valid share option schemes of its own at the Latest Practicable Date.

Proposed adoption of the New Share Option Scheme

As the Existing Share Option Scheme will be expiring in June 2021, the Company would like to take the opportunity to put in place the New Share Option Scheme which will have another 10 year duration.

The Board proposes to recommend to the Shareholders to approve the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date. The purpose of the New Share Option Scheme is to reward Participants who have contributed or may contribute to the Group and to encourage Participants to work towards enhancing the value of the Group and its Shares for the benefit of the Group and the Shareholders as a whole. The Participants of the New Share Option Scheme include any employees (whether full time or part time), executives or officers of any Group Member (including executive and non-executive Directors) and any business consultants, agents, financial or legal advisers who the Board considers, in its sole discretion, will contribute or have contributed to any Group Member. By offering Options to the Participants, their interests are aligned with the long-term development of the Group as they may also enjoy any potential upside from increasing value of the Group. The New Share Option Scheme motivates employees to stay in the Group and strive for the benefit of the Group as well as themselves. Meanwhile, it fosters long-term cooperation with professional advisers by granting them an equity interest to share in any future growth of the Group and providing them with an incentive to serve and contribute to the smooth operation of the Group. The eligibility of those external parties other than employees and directors of the Group will be determined by the Board considering the potential and/or actual contribution of these individual parties to the operation and business of the Group.

LETTER FROM THE BOARD

The terms of the New Share Option Scheme provide that on and subject to the terms therein, the Board shall be entitled at any time and from time to time within the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions (including but not limited to the terms and conditions in relation to vesting, exercise or otherwise) as the Board may think fit provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be available for inspection at the Company's registered office at Rooms 3206-3210, 32nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours for a period of 14 days immediately preceding the date of the AGM and at the AGM.

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 Directors believe that any statement regarding the value of the Options at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, Option Period, any lock-up period and other relevant variables.

The New Share Option Scheme is conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders at the AGM to terminate the Existing Share Option Scheme;
- (b) the passing of the necessary resolution(s) by the Shareholders at the AGM to approve and adopt the New Share Option Scheme and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options; and
- (c) the Listing Committee of the Stock Exchange granting, with or without condition, approval of, listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options under the New Share Option Scheme.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue at the date of approval of the New Share Option Scheme. The Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the New Share Option Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the Shares in issue from time to time.

LETTER FROM THE BOARD

At the Latest Practicable Date, the Company had a total of 16,987,713,835 Shares in issue. Assuming that there is no change in the total number of Shares in issue during the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be allotted and issued under an exercise of Options granted pursuant to the New Share Option Scheme will be 1,698,771,383 Shares, representing approximately 10% of the total number of Shares in issue at the date of the adoption of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

At the AGM, an ordinary resolution will be proposed to approve the adoption of the New Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme.

So far as the Directors are aware of, at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the ordinary resolution to approve the adoption of the New Share Option Scheme. None of the Directors is the trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee, if any.

THE AGM

The AGM Notice which contains, inter alia, resolutions to approve the Issue Mandate, the Buy-back Mandate, the extension of the Issue Mandate, the re-election of retiring Directors, the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme is set out on pages 25 to 29 of this circular. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on any resolution at the AGM.

In order to be eligible to attend and vote at the AGM, all unregistered holders of the Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2020.

A proxy form is enclosed herewith for use at the AGM. Whether or not you propose to attend the AGM, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from subsequently attending and voting at the AGM if they so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

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 meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will put the resolutions set out in the AGM Notice to be voted by way of poll pursuant to Article 80 of the Articles. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY OF THE DIRECTORS

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.

RECOMMENDATION

The Board believes that the granting of the Issue Mandate, the Buy-back Mandate and the extension of the Issue Mandate, the re-election of retiring Directors, and the proposed adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme as set out in the AGM Notice are all in the best interests of the Company and its Shareholders as a whole. The Board recommends that the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,
By Order of the Board
China Strategic Holdings Limited
Dr. Or Ching Fai
Chairman

This appendix serves as an explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide requisite information for the Shareholders to consider the Buy-back Mandate.

1. TOTAL NUMBER OF SHARES IN ISSUE

At the Latest Practicable Date, the total number of Shares in issue was 16,987,713,835 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 1,698,771,383 Shares (representing not exceeding 10% of the total number of Shares in issue at the date of passing the Buy-back Resolution).

2. REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate is in the best interests of the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

3. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share buy-back may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

4. EFFECT OF EXERCISE OF THE BUY-BACK MANDATE

In the event that the proposed share buy-backs were to be carried out in full, it may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the Company's audited consolidated financial statements for the year ended 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company have been made up). However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and the current month up to the Latest Practicable Date were as follows:

Month	Share Price	
	Highest HK\$	Lowest HK\$
May 2019	0.078	0.065
June 2019	0.072	0.064
July 2019	0.069	0.057
August 2019	0.059	0.041
September 2019	0.044	0.035
October 2019	0.039	0.032
November 2019	0.043	0.033
December 2019	0.041	0.033
January 2020	0.040	0.030
February 2020	0.034	0.029
March 2020	0.032	0.020
April 2020	0.028	0.021
May 2020 (up to the Latest Practicable Date)	0.036	0.022

6. UNDERTAKING

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 buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Buy-back Mandate if such is approved by the Shareholders.

At the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes 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.

At the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Pioneer Success Development Limited ("**Pioneer Success**") beneficially owned 1,680,000,000 Shares, holding approximately 9.89% of the total number of issued Shares. Pioneer Success is wholly owned by Mr. Suen Cho Hung, Paul ("**Mr. Suen**"), accordingly, Mr. Suen is deemed to be interested in 1,680,000,000 Shares, representing approximately 9.89% of the total number of issued Shares.

On the basis that the total number of issued Shares and the shareholdings of Pioneer Success in the Company remain unchanged immediately before the full exercise of the Buy-back Mandate, in the event that the Directors exercise in full the power to buy back Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the interests of Pioneer Success and Mr. Suen in the Company would be increased from approximately 9.89% to approximately 10.99%. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any other consequences which will arise under the Takeovers Code as a result of any buy-backs to be made under the Buy-back Mandate.

8. SHARE BUY-BACKS MADE BY THE COMPANY

The Company had not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the retiring Directors who are proposed to be re-elected at the AGM.

Dr. Or Ching Fai (“Dr. Or”), *Chairman, Non-executive Director and Chairman of the Nomination Committee*

Dr. Or, aged 70, joined the Company as an Executive Director and the Chief Executive Officer in November 2009 and was appointed the Chairman of the Board in March 2012. Dr. Or stepped down from his position as Chief Executive Officer in January 2018 and was re-designated as a Non-executive Director in April 2018. Dr. Or is the Chairman of the Nomination Committee and is also a director of certain subsidiaries of the Company. Dr. Or graduated from The University of Hong Kong in 1972 and was conferred an Honorary Doctor of Social Science by the City University of Hong Kong in November 2014. Dr. Or is currently an executive director and the chairman of Esprit Holdings Limited (HKEX stock code: 330). Dr. Or is also an independent non-executive director of Chow Tai Fook Jewellery Group Limited (HKEX stock code: 1929) and Regina Miracle International (Holdings) Limited (HKEX stock code: 2199). He was the former vice chairman and chief executive of Hang Seng Bank Limited (HKEX stock code: 11), the former chairman of Hang Seng Life Limited and a director of The Hongkong and Shanghai Banking Corporation Limited, Cathay Pacific Airways Limited (HKEX stock code: 293) and Hutchison Whampoa Limited (HKEX stock code: 13 (delisted)) until his retirement in May 2009. Dr. Or was also the former vice chairman and independent non-executive director of G-Resources Group Limited (HKEX stock code: 1051), an independent non-executive director of Industrial and Commercial Bank of China Limited (HKEX stock code: 1398) and Television Broadcasts Limited (HKEX stock code: 511), and the former deputy chairman and a non-executive director of Aquis Entertainment Limited (ASX stock code: AQS) (a company listed on the Australian Securities Exchange Limited). All the aforementioned companies with HKEX stock code are/were listed on the Main Board of the Stock Exchange.

Save as disclosed above, Dr. Or has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

At the Latest Practicable Date, Dr. Or does not have any interest in the Shares within the meaning of Part XV of the SFO.

Dr. Or does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is a letter of appointment entered into between the Company and Dr. Or. According to the letter of appointment, Dr. Or’s directorship in the Company shall be for a term of two years commencing from 1 April 2020 unless and until terminated by either party by giving to the other three months’ prior notice in writing and shall determine upon expiry subject to renewal by mutual agreement between the Company and Dr. Or prior thereto and in compliance with the Listing Rules. The directorship of Dr. Or is also subject to retirement by rotation and re-election pursuant to the Articles. Dr. Or is entitled to receive a director’s fee of HK\$2,150,000 per annum which has been approved by the Remuneration Committee and the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. The director’s fee of Dr. Or is subject to annual review by the Remuneration Committee and the Board. The director’s emoluments of Dr. Or for the year ended 31 December 2019 amounted to HK\$2,150,000.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, there is no other information of Dr. Or that needs to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of Dr. Or's re-election.

Ms. Lee Chun Yeung, Catherine ("Ms. Lee"), *Executive Director, member of the Executive Committee and the Investment & Credit Committee*

Ms. Lee, aged 52, joined the Group in September 2014 and was appointed as an Executive Director in February 2015. Ms. Lee is a member of the Executive Committee and the Investment & Credit Committee. She is also a director of certain subsidiaries of the Company. Ms. Lee holds a Bachelor of Arts degree from Guangdong University of Foreign Studies (formerly known as Guangzhou Institute of Foreign Languages) and a Master of Business Administration degree from the University of South Australia. She has extensive experience in international trading of metal minerals and commodities. Ms. Lee had worked as an economist in a major commercial bank and a senior executive in a state-owned trading group in the PRC.

Ms. Lee has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

At the Latest Practicable Date, Ms. Lee does not have any interest in the Shares within the meaning of Part XV of the SFO.

Ms. Lee does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is an employment contract entered into between a subsidiary of the Company and Ms. Lee. According to the employment contract, Ms. Lee is not appointed for any specific length or proposed length of service and her term of service shall continue unless and until terminated by either party by giving to the other two months' prior notice in writing. The directorship of Ms. Lee is subject to retirement by rotation and re-election pursuant to the Articles. Ms. Lee is entitled to receive a remuneration of HK\$1,144,000 per annum which has been approved by the Remuneration Committee and the Board based on her qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. Ms. Lee may also be entitled to receive discretionary bonuses or other benefits as may be recommended by the Remuneration Committee and approved by the Board having regard to Ms. Lee's and the Company's performance. The remuneration of Ms. Lee is subject to annual review by the Remuneration Committee and the Board. The director's emoluments of Ms. Lee for the year ended 31 December 2019 amounted to HK\$1,214,000.

Save as disclosed above, there is no other information of Ms. Lee that needs to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of Ms. Lee's re-election.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Chow Yu Chun, Alexander (“Mr. Chow”), *Independent Non-executive Director, Chairman of the Remuneration Committee and member of the Audit Committee*

Mr. Chow, aged 73, joined the Company as an Independent Non-executive Director in March 2011. Mr. Chow is the Chairman of the Remuneration Committee and a member of the Audit Committee. He has over 35 years of experience in commercial, financial and investment management in Hong Kong and Mainland China. Mr. Chow is an independent non-executive director of Playmates Toys Limited (HKEX stock code: 869) and Symphony Holdings Limited (HKEX stock code: 1223). All the aforementioned companies are listed on the Main Board of the Stock Exchange. Mr. Chow is also an independent non-executive director of Aquis Entertainment Limited (ASX stock code: AQS), a company listed on the Australian Securities Exchange Limited.

Mr. Chow was an independent non-executive director of Top Form International Limited (HKEX stock code: 333), a company listed on the Main Board of the Stock Exchange, until 31 October 2019.

Save as disclosed above, Mr. Chow has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

At the Latest Practicable Date, Mr. Chow does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chow does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

There is a letter of appointment entered into between the Company and Mr. Chow. According to the letter of appointment, Mr. Chow’s directorship in the Company shall be for a term of two years commencing from 1 April 2020 unless and until terminated by either party by giving to the other three months’ notice in writing and shall determine upon expiry subject to renewal by mutual agreement between the Company and Mr. Chow prior thereto and in compliance with the Listing Rules. The directorship of Mr. Chow is also subject to retirement by rotation and re-election pursuant to the Articles. Mr. Chow is entitled to receive a director’s fee of HK\$200,000 per annum which has been approved by the Remuneration Committee and the Board based on his qualifications, experience, level of responsibilities undertaken, contribution to the Company and prevailing market conditions. The director’s fee of Mr. Chow is subject to annual review by the Remuneration Committee and the Board. The director’s emoluments of Mr. Chow for the year ended 31 December 2019 amounted to HK\$200,000.

Save as disclosed above, there is no other information of Mr. Chow that needs to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of Mr. Chow’s re-election.

The following is a summary of the principal terms of the New Share Option Scheme:

(A) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to enable the Company to grant Options to Participants as incentives or rewards for their contribution to any Group Member.

(B) ADMINISTRATION

The New Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided herein) shall, subject to compliance with the Listing Rules, be final and binding on all parties. The Board shall, subject to the provisions contained therein, have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons to whom Options will be awarded under the New Share Option Scheme and the number and the Subscription Price of Options awarded thereto; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it deems necessary; and (iv) make such other decisions or determinations as it shall deem appropriate in the administration of the New Share Option Scheme.

(C) PARTICIPANTS OF THE NEW SHARE OPTION SCHEME

The Participants are employees (whether full time or part time), executives or officers of any Group Member (including executive and non-executive Directors) and any business consultants, agents, financial or legal advisers who the Board considers, in its sole discretion, will contribute or have contributed to any Group Member.

On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time and from time to time within the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions (including but not limited to the terms and conditions in relation to vesting, exercise or otherwise) as the Board may think fit provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme, an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price.

(D) GRANT OF OPTIONS TO CONNECTED PERSONS

Any grant of Option to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must comply with Rule 17.04(1) of the Listing Rules and must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the Grantee of the Option). Where any grant of Option is proposed to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates and the proposed grant of Option, when aggregated will 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 Grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

then such proposed grant of Option(s) must be subject to approval by the Shareholders in a general meeting where the Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must send a circular to the Shareholders in accordance with the Listing Rules.

(E) RESTRICTION ON THE TIME OF GRANT OF OPTIONS

The Company may not grant any Options after inside information has come to its knowledge until it has announced such information. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its announcement of its results for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted until such information has been announced pursuant to the requirements of the Listing Rules.

(F) MAXIMUM NUMBER OF THE SHARES AVAILABLE FOR SUBSCRIPTION

The total number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue at the Adoption Date (the "**Scheme Mandate Limit**") unless the Company obtains a refresh approval from the Shareholders. Option lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company under which such Options are granted, as the case may be, shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.

The Company may seek approval by the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the total number of Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking approval, the Company shall send a circular to the Shareholders.

The Company may grant Options to Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Participants, the number and terms of the Options to be granted, the purpose of granting Options to the identified Participants, and an explanation as to how these Options serve such purpose.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under any share option schemes of the Company (or its subsidiaries) if this will result in the limit being exceeded.

(G) INDIVIDUAL LIMIT

No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including both exercised and outstanding Options) in 12-month period up to and including the Date of Grant to such Participant would exceed 1% of the number of Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Grantee and his/her associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed Grantee, the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such proposed Grantee must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the Subscription Price.

(H) LIFE OF THE NEW SHARE OPTION SCHEME

The Option Period of an Option is the period during which the Grantee may exercise the Option, which is determined and notified by the Board to the Grantee at the time of making an offer and must not be more than 10 years from the Date of Grant.

(I) PERFORMANCE TARGETS

There is no performance target that must be achieved before the Options can be exercised, unless otherwise determined by the Board.

(J) ACCEPTANCE OF THE OPTION

An Option shall be deemed to have been granted and accepted on the Date of Grant when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

(K) SUBSCRIPTION PRICE

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the Date of Grant; or (iii) if any, the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for certain periods during the Option Period.

(L) RANKING OF SHARES AND RIGHTS ATTACHED TO SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of Options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

(M) LAPSE OF OPTION

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

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to below:
 - (a) in the event of the Grantee ceasing to be a Participant for any reason other than on his or her death or the termination of his or her relationship with a Group Member on one or more of the grounds specified in paragraph (M)(iv) below, the Grantee may exercise the Option up to his or her entitlement at the date of cessation of being a Participant (to the extent not already exercised) within the period of 1 month following the date of such cessation (which date shall be, in relation to a Grantee who is a Participant by reason of his or her employment with such Group Member, the last actual working day with such Group Member whether salary is paid in lieu of notice or not);
 - (b) in the event of the Grantee ceasing to be a Participant by reason of death and none of the events which would be a ground for termination of his or her relationship with a Group Member under paragraph (M)(iv) below arises, the legal personal representative(s) of the Grantee shall be entitled within a period of 12 month(s) or such longer period as the Board may determine from the date of death to exercise the Option in full (to the extent not already exercised);
 - (c) if a general offer (whether by takeover offer or scheme of arrangement 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 association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry of the Option, the Grantee (or, as the case may be, his/her legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional even though the Option Period has not come into effect during the occurrence of the general offer;

- (d) 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 clause) and thereupon, each Grantee (or where permitted under paragraph (M)(ii)(b) above his/her legal personal representatives) shall be entitled to exercise all or any of his/her Options (to the extent which has become exercisable and not already exercised) at any time not later than 7 Business Days prior to 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 Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid; and
 - (e) if an application is made to the court (otherwise than where the Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within 21 days after the date of such application, exercise the Option in full (to the extent which has become exercisable and not already exercised) or to the extent specified in such notice;
- (iii) subject to paragraph (M)(ii)(d) above, the date of the commencement of the winding-up of the Company;
 - (iv) the date on which the Grantee ceases to be a Participant by reason of the termination of his/her relationship with a Group Member on any one or more of the grounds that he/she has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his or her debts or has become insolvent or has made any arrangement or has compromised with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or in relation to any employees of a Group Member (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with such Group Member. A resolution of the Board or the board of directors of the relevant Group Member to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause shall be conclusive;
 - (v) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in paragraph (M)(ii)(e) above; and
 - (vi) the date on which the Grantee commits a breach of paragraph (Q) below.

(N) REORGANISATION OF CAPITAL STRUCTURE

In the event of any alterations in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital or otherwise howsoever in accordance with the legal requirements and the requirements of the Listing Rules and the Stock Exchange whilst any Option remains exercisable, such corresponding adjustments (if any) shall be made in:

- (i) the number of Shares subject to the Option so far as unexercised; and/or
- (ii) the Subscription Price;

provided that any adjustment must comply with Chapter 17 of the Listing Rules, the supplementary guidance issued on 5 September 2005 by the Stock Exchange entitled “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule” and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time and shall be made on the basis that the proportion of the number of issued Shares of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he/she was entitled before such adjustment and that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value (if any) and in case of any adjustments other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the Auditors is required to confirm that the adjustment(s) satisfy the relevant requirements under the Listing Rules.

(O) CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be approved by the Board provided that where the Company cancels any Options granted but not exercised in accordance with this clause and issues new ones to the same Option holder, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as stated in paragraph (F).

(P) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but the provisions of the New Share Option Scheme in relation to any outstanding Options shall remain in full force and effect in all other respects and the Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme.

(Q) TRANSFERABILITY OF OPTION

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee.

(R) ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants; (ii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme; (iii) the terms and conditions of the New Share Option Scheme which are of a material nature; or (iv) any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



CHINA STRATEGIC HOLDINGS LIMITED

中策集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of China Strategic Holdings Limited (the “**Company**”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 29 June 2020 at 10:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and of the auditor for the year ended 31 December 2019;
2. To re-elect the retiring directors and to authorise the Board of Directors to fix the remuneration of the directors of the Company;
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix its remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- 4.1 subject to paragraph 4.3 below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- 4.2 the approval in paragraph 4.1 above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

4.3 the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph 4.1 above, otherwise than:

- (i) a Rights Issue (as hereinafter defined); or
- (ii) the exercise of rights of subscription or conversion under the terms of any existing bonds, warrants, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or
- (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or rights to acquire shares of the Company; or
- (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company (the “**Articles**”) from time to time,

shall not exceed 20% of the total number of shares of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and

4.4 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 expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

“**Rights Issue**” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors to the holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the Directors 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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- 5.1 subject to paragraph 5.2 below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- 5.2 the total number of shares of the Company which the Directors is authorised to buy back pursuant to the approval in paragraph 5.1 above shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- 5.3 for the purposes 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 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 law to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT subject to the passing of resolutions no. 4 and no. 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of shares of the Company bought back by the Company under the authority granted pursuant to the resolution no. 5 as set out in the notice convening this meeting, provided that such number of shares so bought back shall not exceed 10% of the total number of shares of the Company in issue at the date of passing the said resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval, with or without condition, for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) falling to be allotted and issued upon the exercise of any share options granted under the new share option scheme (the “**New Share Option Scheme**”, which is tabled at this meeting and signed by the Chairman of this meeting for the purpose of identification) specified in the circular of the Company dated 26 May 2020, (a) the existing share option scheme of the Company adopted on 10 June 2011 be and is hereby terminated; and (b) the New Share Option Scheme be and is hereby approved and adopted as the share option scheme of the Company; and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme under which share options will be granted to the Participants (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for the Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange;
- (iii) to allot and issue from time to time such number of the Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of share options granted under the New Share Option Scheme and subject to the Listing Rules;
- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of share options granted under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board
China Strategic Holdings Limited
Dr. Or Ching Fai
Chairman

Hong Kong, 26 May 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at a Meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf at the Meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he/she/it or they represent(s) as such member of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her/its attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, together with such evidence as the Board of Directors of the Company may require under Articles of Association of the Company, shall be delivered to the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof (as the case may be) at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from subsequently attending and voting in person at the Meeting or any adjournment thereof (as the case may be) or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share(s) of the Company, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share(s) of the Company as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) of the Company shall alone be entitled to vote in respect thereof.
6. In order to be eligible to attend and vote at the Meeting, all unregistered holders of the shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2020.
7. The Chinese version of this notice is for reference only. If there is any conflict between the English and the Chinese versions, the English version shall prevail.
8. At the date of this notice, the Board of Directors of the Company comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); three Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Ms. Lee Chun Yeung, Catherine and Mr. Chow Kam Wah; and three Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying.

IMPORTANT NOTE

In light of the ongoing situation of the Coronavirus disease 2019 (COVID-19) pandemic, shareholders may consider appointing the Chairman of the Meeting as his/her/its proxy to vote on the resolutions, instead of attending the Meeting in person, by completing and returning the proxy form attached to this document in order to avoid large gatherings of people. To protect yourself and other participants, shareholders attending the Meeting in person are required to wear surgical face mask and to undertake temperature checks before they enter the Meeting venue, and to maintain a safe distance between seats. Please note that the Company will not provide any gift or refreshment at the Meeting.

The Company reserves the right to refuse any shareholder who is found to be suffering from a fever or otherwise unwell or uncooperative in complying with the aforesaid precautionary measures to admit to the Meeting venue.