
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Birmingham International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the licensed securities dealer, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED****伯明翰環球控股有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 2309)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
TERMINATION OF THE 2007 SHARE OPTION SCHEME AND
ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Birmingham International Holdings Limited (the “Company”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 30 December 2016 at 10:30 a.m. is set out on pages 31 to 34 of this circular. Whether or not you are able to attend the annual general meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, 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 adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

28 November 2016

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DEFINITIONS

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

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| “AGM” | the 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 Friday, 30 December 2016 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the resolutions as set out in the AGM Notice |
| “AGM Notice” | the notice for convening the AGM which is set out on pages 31 to 34 of this circular |
| “Articles of Association” | the articles of association of the Company (as amended from time to time) |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Audit Committee” | the audit committee of the Company |
| “Board” | the Board of Directors |
| “Business Day” | has the meaning ascribed to it under the Listing Rules |
| “close associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Companies Law” | the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Company” | Birmingham International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “core connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Date of Grant” | in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Option Scheme |
| “Director(s)” | the director(s) of the Company |

DEFINITIONS

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| “Grantee(s)” | any Participant who accepts an Offer in accordance with the terms of the 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 or the legal personal representative of such person |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issue Mandate” | the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution for approving such mandate |
| “Latest Practicable Date” | 23 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Nomination Committee” | the nomination committee of the Company |
| “Offer” | the offer of the grant of an Option under the Share Option Scheme |
| “Option(s)” | the option(s) to subscribe for Shares granted pursuant to the Share Option Scheme |
| “Option Period” | in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant |
| “Participant(s)” | any person belonging to any of the following classes of persons: (a) Directors (including Executive Directors, Non-Executive Directors and Independent Non-Executive Directors); |

DEFINITIONS

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| | (b) employees of the Group; and |
| | (c) any advisors, consultants, business partners, agents, customers, suppliers, service providers, contractors of any member of the Group or any company or other entity in which the Group or any member of it has a shareholding interest, who, in the sole discretion of the Board, has contributed or may contribute to the Group or any member of it |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Repurchase Mandate” | the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing the resolution for approving such mandate |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company |
| “Share Option Scheme” | the share option scheme proposed to be adopted at the AGM, a summary of the principal terms of which are set out in Appendix III |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option under the Share Option Scheme |
| “Takeovers Code” | the Codes on Takeovers and Mergers |
| “Trillion Trophy” | Trillion Trophy Asia Limited, a company incorporated in the British Virgin Islands with limited liability and is the controlling Shareholder (as defined under the Listing Rules) |
| “2007 Share Option Scheme” | the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the then Shareholders passed on 30 July 2007 |
| “%” | per cent |

LETTER FROM THE BOARD



BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED

伯明翰環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

Executive Directors:

Mr. Zhao Wenqing

(Chairman and Chief Executive Officer)

Mr. Sue Ka Lok

Ms. Chan Yuk Yee

Mr. Yiu Chun Kong

Mr. Zhu Kai

Independent Non-executive Directors:

Mr. To Yan Ming, Edmond

Mr. Pun Chi Ping

Ms. Leung Pik Har, Christine

Registered Office:

4th Floor, Harbour Place

103 South Church Street

George Town, P.O. Box 10240

Grand Cayman KY1-1002

Cayman Islands

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

Room 1200, 12th Floor

Wing On Centre

111 Connaught Road Central

Sheung Wan, Hong Kong

28 November 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF THE RETIRING DIRECTORS,
TERMINATION OF THE 2007 SHARE OPTION SCHEME AND
ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for:

- (a) the granting of the Issue Mandate to the Directors;
- (b) the granting of the Repurchase Mandate to the Directors;

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- (c) the extension of the Issue Mandate by adding to it the aggregate number of Shares repurchased under the Repurchase Mandate;
- (d) the re-election of the retiring Directors; and
- (e) the termination of the 2007 Share Option Scheme and the adoption of the Share Option Scheme.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant to the Directors the Issue Mandate and the Repurchase Mandate. Conditional upon the above resolutions being passed, a separate resolution will be proposed to extend the Issue Mandate by adding to it the aggregate number of Shares repurchased under the Repurchase Mandate. Details of these resolutions are contained in the AGM Notice.

As at the Latest Practicable Date, the Company had 5,393,764,429 Shares in issue. Assuming that there is no change in the number of the issued Shares during the period between the Latest Practicable Date and the date of the AGM, the maximum number of Shares which may be allotted, issued and otherwise dealt with pursuant to the Issue Mandate will be 1,078,752,885 Shares and the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 539,376,442 Shares.

An explanatory statement containing information relating to the Repurchase Mandate as required by Rule 10.06(1)(b) of the Listing Rules is set out in Appendix I to this circular. This explanatory statement provides the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution in relation to the granting of the Repurchase Mandate.

RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 86 (3) of the Articles of Association, Mr. Zhao Wenqing, Mr. Sue Ka Lok, Ms. Chan Yuk Yee, Mr. Yiu Chun Kong, Mr. Zhu Kai, Mr. To Yan Ming, Edmond, Mr. Pun Chi Ping and Ms. Leung Pik Har, Christine will hold office only until the AGM and being eligible, will offer themselves for re-election at the AGM.

Biographical details of the retiring Directors who are proposed to be re-elected at the AGM as required to be disclosed under Rule 13.51(2) of the Listing Rules is set out in Appendix II to this circular.

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PROPOSED TERMINATION OF 2007 SHARE OPTION SCHEME AND ADOPTION OF THE SHARE OPTION SCHEME

The 2007 Share Option Scheme is due to expire on 29 July 2017. In view of the forthcoming expiration of the 2007 Share Option Scheme, an ordinary resolution will be proposed at the AGM to terminate the 2007 Share Option Scheme and adopt the Share Option Scheme. Following the termination of the 2007 Share Option Scheme, no further options will be granted under such scheme, but in all other respects the provisions of the 2007 Share Option Scheme will remain in full force and effect and options granted prior to such termination will continue to be valid and exercisable in accordance with the rules of the 2007 Share Option Scheme.

As at the Latest Practicable Date, the Company had no outstanding options under the 2007 Share Option Scheme. In order to enable the Company to continue to grant options to eligible participants as incentives and rewards for their contributions to the Group, the Directors propose to adopt the Share Option Scheme, which will be put to the Shareholders for approval at the AGM.

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of the resolution by the Shareholders to (i) approve and adopt the Share Option Scheme and to authorise the Board to grant Options at their absolute discretion thereunder and to allot and issue Shares pursuant to the exercise of any Options; and (ii) terminate the 2007 Share Option Scheme; and
- (b) the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued and allotted pursuant to the exercise of the Options granted under the Share Option Scheme up to 10% of the total number of Shares in issue as at Friday, 30 December 2016, being the date of the AGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of Options granted under the Share Option Scheme, representing up to 10% of the total number of Shares in issue as at the date of the AGM. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

The Directors consider that the Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage 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 Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its discretion, such term(s) on the grant of an Option, which decision may vary on a case by case basis. The basis for determination of the Subscription Price is also specified in the rules of the Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to protect the value of the Company and to achieve such purpose of retaining and motivating high quality personnel to contribute to the Group.

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The Directors consider that it is not appropriate to value the Options that can be granted under the Share Option Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors (such as the subscription price of such Options, the timing of granting of such Options, exercise period and performance targets which the Directors may set under the Share Option Scheme) for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to a certain extent be misleading to the Shareholders if the value of the Options is calculated based on a set of speculated assumptions.

On the basis of 5,393,764,429 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are allotted, issued or repurchased by the Company prior to the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Scheme and any other schemes of the Company must not exceed 539,376,442 Shares, representing approximately 10% of the total number of Shares in issue as at the date of the AGM.

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. The full terms of the Share Option Scheme are available for inspection at the principal place of business of the Company at Room 1200, 12th Floor, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong from the date of this circular up to and including the date of the AGM.

At the AGM, an ordinary resolution will be proposed to approve the termination of the 2007 Share Option Scheme and the adoption of the Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the Share Option Scheme.

So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the ordinary resolution to approve the termination of the 2007 Share Option Scheme and the adoption of the Share Option Scheme. None of the Directors is the trustee of the Share Option Scheme or has a direct or indirect interest in the trustee, if any.

THE AGM

The AGM Notice is set out on pages 31 to 34 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, 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 AGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

VOTING AT THE AGM

For the purpose of compliance with Rule 13.39(4) of the Listing Rules, the Company will procure the Chairman of the AGM to demand for a poll for the resolutions put to the vote of the AGM in accordance with the Articles of Association.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the above proposed resolutions referred to in this circular and the AGM Notice are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions as set out in the AGM Notice.

RESPONSIBILITY STATEMENT

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

Yours faithfully,
On behalf of the Board
Birmingham International Holdings Limited
Zhao Wenqing
*Executive Director, Chairman and
Chief Executive Officer*

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

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 5,393,764,429 Shares in issue. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 539,376,442 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

2. REASONS FOR REPURCHASE

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

3. FUNDING OF REPURCHASE

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the Articles of Association, the Companies Law and the Listing Rules.

4. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 30 June 2016, being the date of the latest published audited consolidated financial statements of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates have any present intention, in the event that the proposed Repurchase Mandate is approved, to sell any Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the proposed Repurchase Mandate is approved.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the Companies Law.

7. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, 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 Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Trillion Trophy holds 3,200,000,000 Shares, representing approximately 59.33% of the issued share capital of the Company. Should the power to repurchase Shares pursuant to the Repurchase Mandate be exercised in full and assuming there is no change in the issued share capital of the Company and the shareholdings of Trillion Trophy in the Company immediately before the full exercise of the Repurchase Mandate, the shareholdings of Trillion Trophy in the Company would then be increased to approximately 65.92% of the issued share capital of the Company, such increase would not give rise to an obligation of Trillion Trophy 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 repurchases to be made under the Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the previous six months before the Latest Practicable Date, whether on the Stock Exchange or otherwise.

9. SHARE PRICES

The highest and lowest prices of the Shares as traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date were as follows:

| Month | Share Prices | |
|--|-------------------|------------------|
| | Highest (HK\$) | Lowest (HK\$) |
| 2015 | | |
| November | – | – |
| December | – | – |
| 2016 | | |
| January | – | – |
| February | – | – |
| March | – | – |
| April | – | – |
| May | – | – |
| June | – | – |
| July | – | – |
| August | – | – |
| September | – | – |
| October | 0.880 | 0.435 |
| November (up to the Latest Practicable Date) | 0.710 | 0.580 |

Note: Trading in the Shares on the Stock Exchange was suspended for the period from 10:21 a.m. on 4 December 2014 to 16 October 2016. Trading in the Shares resumed on 17 October 2016.

Details of the Directors who are required to retire at the AGM according to the Articles of Association and who, being eligible, offer themselves for re-election at the AGM are as follows:

(1) Mr. Zhao Wenqing (“Mr. Zhao”), Executive Director, Chairman and Chief Executive Officer

Mr. Zhao, aged 50, joined the Company as an Executive Director, the Chairman of the Board and the Chief Executive Officer of the Company on 15 October 2016 and is also a director of various subsidiaries of the Company. Mr. Zhao obtained a Bachelor of Engineering degree from Beijing University of Iron and Steel Technology (now known as University of Science and Technology Beijing) in July 1987 and a Master of Engineering degree from University of Science and Technology Beijing in the PRC in June 1990. Mr. Zhao had worked as the head of risk management department and the chief accountant in Beijing Centergate Technologies (Holding) Co., Ltd. (北京中關村科技發展(控股)股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code 931.

Save as disclosed above, Mr. Zhao 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.

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

Mr. Zhao does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. Zhao entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. His 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 Mr. Zhao will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the service contract of Mr. Zhao, he is entitled to a director’s remuneration of HK\$150,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Zhao’s qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. Mr. Zhao may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company’s and his performance. The remuneration of Mr. Zhao will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. Zhao to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Zhao’s re-election.

(2) Mr. Sue Ka Lok (“Mr. Sue”), Executive Director

Mr. Sue, aged 51, joined the Company as an Executive Director on 15 October 2016 and is also a director of various subsidiaries of the Company. Mr. Sue holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of The Hong Kong Institute of Certified Public Accountants, a certified practising accountant of the CPA Australia and a fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators and the Hong Kong Securities and Investment Institute. He has extensive experience in corporate management, finance, accounting and company secretarial practice.

Mr. Sue is an executive director and the chairman of Courage Marine Group Limited (“Courage Marine”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1145) and the Singapore Exchange Securities Trading Limited (“SGX-ST”) (Singapore stock code: ATL.SI), an executive director and the chief executive officer of EPI (Holdings) Limited (“EPI”) (stock code: 689), a non-executive director of Tianli Holdings Group Limited (“Tianli Holdings”) (formerly known as EYANG Holdings (Group) Co., Limited) (stock code: 117) and an executive director and the company secretary of China Strategic Holdings Limited (“China Strategic”) (stock code: 235), the shares of EPI, Tianli Holdings and China Strategic are listed on the Main Board of the Stock Exchange. Mr. Sue is also a director of Trillion Trophy.

Mr. Sue was an executive director of Tianli Holdings until 8 November 2016 when he was redesignated as a non-executive director of Tianli Holdings. He was an executive director and the chief executive officer of Enviro Energy International Holdings Limited (“Enviro Energy”) (stock code: 1102) until 7 October 2015; and the chief executive officer and an executive director of BEP International Holdings Limited (“BEP International”) (stock code: 2326) until 10 January 2014 and 13 July 2015 respectively. Mr. Sue was also the chairman and a non-executive director of Winshine Science Company Limited (“Winshine”) (formerly known as China Tycoon Beverage Holdings Limited) (stock code: 209) until 4 November 2014 and 27 November 2014 respectively; an executive director and the chairman of Hailiang International Holdings Limited (“Hailiang International”) (formerly known as Sunlink International Holdings Limited) (stock code: 2336) until 3 June 2014 and an executive director and the chief executive officer of Skyway Securities Group Limited (“Skyway”) (formerly known as Poly Capital Holdings Limited) (stock code: 1141) until 31 October 2014. All of the above companies are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Sue 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.

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

Mr. Suen Cho Hung, Paul (“Mr. Suen”), the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, indirectly holds approximately 9.89% of the issued share capital in China Strategic; and is the ultimate beneficial owner of the controlling shareholder of EPI and the ultimate beneficial owner of the substantial shareholder of Courage Marine.

Save as disclosed above and save for the common directorships in some listed companies with other fellow directors as disclosed elsewhere in this circular, Mr. Sue does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. Sue entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. His 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 Mr. Sue will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the service contract of Mr. Sue, he is entitled to a director's remuneration of HK\$30,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Sue's qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. Mr. Sue may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and his performance. The remuneration of Mr. Sue will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. Sue to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Sue's re-election.

(3) Ms. Chan Yuk Yee (“Ms. Chan”), Executive Director

Ms. Chan, aged 48, joined the Company as an Executive Director and the Company Secretary on 15 October 2016 and is also a director of various subsidiaries of the Company. Ms. Chan holds a Master of Business Law degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experience in corporate administration and company secretarial practice.

Ms. Chan is an executive director of Courage Marine and an executive director and the company secretary of EPI. She is also the company secretary of Hailiang International and Enviro Energy. She was an executive director of Huajun Holdings Limited (“Huajun”) (formerly known as New Island Development Holdings Limited) (stock code: 377) until 25 September 2014 and an executive director and the company secretary of Winshine until 10 November 2014 when she was redesignated as a non-executive director of Winshine and served until 8 April 2015. She was also the company secretary of Skyway until 2 July 2014. All of the above companies are listed on the Main Board of the Stock Exchange and Courage Marine is also listed on the SGX-ST.

Save as disclosed above, Ms. Chan 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI and the ultimate beneficial owner of the substantial shareholder of each of Courage Marine and Enviro Energy.

Save as disclosed above and save for the common directorships in some listed companies with other fellow directors as disclosed elsewhere in this circular, Ms. Chan does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Ms. Chan entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. 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. Chan will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the service contract of Ms. Chan, she is entitled to a director's remuneration of HK\$30,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Ms. Chan's qualifications and experience, her level of responsibilities undertaken and the prevailing market conditions. Ms. Chan may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and her performance. The remuneration of Ms. Chan will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Ms. Chan to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Chan's re-election.

(4) Mr. Yiu Chun Kong (“Mr. Yiu”), *Executive Director*

Mr. Yiu, aged 32, joined the Company as an Executive Director on 15 October 2016 and is also a director of various subsidiaries of the Company. Mr. Yiu holds a Bachelor of Business Administration in Accountancy degree from The Hong Kong Polytechnic University. Mr. Yiu has experience in auditing, accounting and finance.

Mr. Yiu is an executive director of EPI.

Save as disclosed above, Mr. Yiu 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI.

Save as disclosed above and save for the common directorship in EPI with other fellow directors as disclosed elsewhere in this circular, Mr. Yiu does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. Yiu entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. His 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 Mr. Yiu will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the service contract of Mr. Yiu, he is entitled to a director's remuneration of HK\$20,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Yiu's qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. Mr. Yiu may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and his performance. The remuneration of Mr. Yiu will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. Yiu to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Yiu's re-election.

(5) Mr. Zhu Kai ("Mr. Zhu"), Executive Director

Mr. Zhu, aged 30, joined the Company as an Executive Director on 15 October 2016 and is also a director of various subsidiaries of the Company. Mr. Zhu holds a Bachelor of Science in Actuarial Science degree from Heriot-Watt University in the United Kingdom. Mr. Zhu has experience in business and market research and analysis.

Mr. Zhu is an executive director of EPI.

Save as disclosed above, Mr. Zhu 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI.

Save as disclosed above and save for the common directorship in EPI with other fellow directors as disclosed elsewhere in this circular, Mr. Zhu does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. Zhu entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. His 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 Mr. Zhu will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the service contract of Mr. Zhu, he is entitled to a director's remuneration of HK\$20,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Zhu's qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. Mr. Zhu may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and his performance. The remuneration of Mr. Zhu will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. Zhu to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Zhu's re-election.

(6) Mr. To Yan Ming, Edmond ("Mr. To"), *Independent Non-executive Director, the Chairman of the Audit Committee and member of the Remuneration Committee and the Nomination Committee*

Mr. To, aged 44, joined the Company as an Independent Non-executive Director on 15 October 2016. Mr. To holds a Bachelor of Commerce Accounting degree from Curtin University of Technology in Western Australia. Mr. To is a Certified Public Accountant (Practising) in Hong Kong, a certified practising accountant of the CPA Australia and an associate of The Hong Kong Institute of Certified Public Accountants. He had worked for Deloitte Touche Tohmatsu, an international accounting firm, and has extensive experience in auditing, accounting, initial public offerings and taxation matters. Mr. To is also a director of Edmond To CPA Limited, R.C.W. (HK) CPA Limited and Asian Alliance (HK) CPA Limited.

Mr. To is an independent non-executive director of China Vanguard Group Limited (stock code: 8156), EPI, Courage Marine, Tianli Holdings, Wai Chun Group Holdings Limited (stock code: 1013) and Wai Chun Mining Industry Group Company Limited (stock code: 660). He was an independent non-executive director of China Household Holdings Limited (stock code: 692), Theme International Holdings Limited (stock code: 990) and BEP International until 10 December 2015, 31 May 2015 and 20 December 2013 respectively. All the above companies are listed on the Main Board/Growth Enterprise Market of the Stock Exchange and Courage Marine is also listed on the SGX-ST.

Save as disclosed above, Mr. To 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI and the ultimate beneficial owner of the substantial shareholder of Courage Marine.

Save as disclosed above and save for the common directorships in some listed companies with other fellow directors as disclosed elsewhere in this circular, Mr. To does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. To entered into a letter of appointment with the Company, pursuant to which he has been appointed as an Independent Non-executive Director for a term of twelve-month period which automatically renews for successive twelve month periods unless terminated by either party in writing prior to the expiry of the term. The directorship of Mr. To will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the appointment letter of Mr. To, he is entitled to a director's fee of HK\$15,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. To's qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. The director's fee of Mr. To will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. To to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. To's re-election.

(7) Mr. Pun Chi Ping (“Mr. Pun”), Independent Non-executive Director, the Chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee

Mr. Pun, aged 49, joined the Company as an Independent Non-executive Director on 15 October 2016. Mr. Pun holds a Master of Science in Finance degree from the City University of Hong Kong and a Bachelor of Arts in Accountancy degree from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong). Mr. Pun is a fellow of the Association of Chartered Certified Accountants and an associate of The Hong Kong Institute of Certified Public Accountants.

Mr. Pun is an independent non-executive director of EPI and Huajun and the financial controller of Poly Property Group Co., Limited (stock code: 119). All of the above companies are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Pun 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI.

Save as disclosed above and save for the common directorship in EPI with other fellow directors as disclosed elsewhere in this circular, Mr. Pun does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Mr. Pun entered into a letter of appointment with the Company, pursuant to which he has been appointed as an Independent Non-executive Director for a term of twelve-month period which automatically renews for successive twelve month periods unless terminated by either party in writing prior to the expiry of the term. The directorship of Mr. Pun will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the appointment letter of Mr. Pun, he is entitled to a director's fee of HK\$15,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Pun's qualifications and experience, his level of responsibilities undertaken and the prevailing market conditions. The director's fee of Mr. Pun will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Mr. Pun to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Pun's re-election.

(8) Ms. Leung Pik Har, Christine ("Ms. Leung"), *Independent Non-executive Director, the Chairlady of the Nomination Committee and member of the Audit Committee and the Remuneration Committee*

Ms. Leung, aged 47, joined the Company as an Independent Non-executive Director on 15 October 2016. Ms. Leung holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong. Ms. Leung has extensive experience in banking and financial services industries and had worked at several international financial institutions including Citibank, N.A. Hong Kong, Bank of America, Industrial and Commercial Bank of China (Asia) Limited and Fubon Bank (Hong Kong) Limited.

Ms. Leung is an independent non-executive director of EPI and Enviro Energy and was an independent non-executive director of Winshine until 10 November 2014. All of the above companies are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Ms. Leung 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.

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

Mr. Suen, the ultimate beneficial owner of Trillion Trophy, the controlling Shareholder, is the ultimate beneficial owner of the controlling shareholder of EPI and the ultimate beneficial owner of the substantial shareholder of Enviro Energy.

Save as disclosed above and save for the common directorship in EPI with other fellow directors as disclosed elsewhere in this circular, Ms. Leung does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules).

Ms. Leung entered into a letter of appointment with the Company, pursuant to which she has been appointed as an Independent Non-executive Director for a term of twelve-month period which automatically renews for successive twelve month periods unless terminated by either party in writing prior to the expiry of the term. The directorship of Ms. Leung will be subject to retirement by rotation and re-election pursuant to the Articles of Association. Under the appointment letter of Ms. Leung, she is entitled to a director's fee of HK\$15,000 per month which has been recommended by the Remuneration Committee and approved by the Board based on Ms. Leung's qualifications and experience, her level of responsibilities undertaken and the prevailing market conditions. The director's fee of Ms. Leung will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of Ms. Leung to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (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. Leung's re-election.

THE SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved at the AGM:

(a) Purpose

The purpose of this Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage 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.

(b) Who may join

Participants of the Share Option Scheme comprise of (a) Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors); (b) employees of the Group; and (c) any advisors, consultants, business partners, agents, customers, suppliers, service providers, contractors of any member of the Group or any company or other entity in which the Group or any member of it has a shareholding interest, who, in the sole discretion of the Board, has contributed or may contribute to the Group or any member of it.

The Board may, at its absolute discretion, be entitled to make an Offer to any Participant to take up Options at a price calculated in accordance with paragraph (d) below. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of the Board, include among either things, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case by case basis or generally. An Offer shall remain open for acceptance by the Participant concerned for a period of 30 days from the date on which the letter containing the Offer is delivered to the Participant, provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme is terminated in accordance with the terms thereof or after the Participant has ceased to be a Participant. An Offer is deemed to be accepted when the Company receives from the Grantee the offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted together with a remittance in favour of the Company of HK\$1.00 as consideration for the acceptance of Option. Such remittance is not refundable in any circumstances.

(c) Grant of Options to core connected persons or any of their associates

- (i) Any grant of Options to any Director, chief executive or substantial shareholder (as such term as defined in the Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of the Company or any of its subsidiaries shall be subject to the prior approval of the Independent Non-executive Directors (excluding Independent Non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a substantial shareholder or an Independent Non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

- (1) representing in aggregate over 0.1% of the Shares in issue on the Date of Grant; and
- (2) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll). The Company shall send a circular to the Shareholders in accordance with the Listing Rules. The Grantees and any of their respective associates and all core connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders, except that any such persons who are required to abstain from voting may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules.

- (ii) Shareholders' approval as required under paragraph (c)(i) above is also required for any change in the terms of Options granted to a Participant who is a substantial shareholder (as defined in the Listing Rules) of the Company or an Independent Non-executive Director, or any of their respective associates.

(d) Subscription Price

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;

- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares (if any) on the Date of Grant.

(e) Maximum Number of Shares

- (i) The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the total number of Shares then in issue on the adoption date of the Share Option Scheme (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Scheme Mandate Limit may be refreshed at any time subject to prior Shareholders' approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the total number of Shares then in issue as at the date of the Shareholders' approval of the refreshed limit. Options previously granted under the Share Option Scheme or (as the case may be) any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as refreshed.
- (iii) Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:
 - (1) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought; and
 - (2) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to the Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.
- (iv) Subject to paragraph (e)(v) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period up to the Date of Grant shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company) exceed 1% of the total number of Shares in issue on the Date of Grant (the "Individual Limit").

- (v) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information as may be required by the Listing Rules then prevailing to be included in such circular.
- (vi) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the total number of Shares in issue from time to time (the "Scheme Limit"). No Option may be granted under the Share Option Scheme or any other option schemes of the Company if this will result in the Scheme Limit being exceeded.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

(f) Time of Exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the Option Period.

(g) Rights are Personal to Grantees

An Option is personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option or enter into any agreement to do so.

(h) Rights on Termination of Employment by Dismissal

- (i) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically (to the extent not already exercised) and not be exercisable on or after the date of termination of his employment.

- (ii) If the Grantee who is an employee or a director of the Company or another member of the Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (h)(i) above, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of his employment (which date shall be the Grantee's last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable.

(i) Rights on ceasing to be a Participant

If the Grantee who is not an employee or a director of the Company or another member of the Group ceases to be a Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

(j) Rights on Death

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and (where the Grantee is an employee of the Group) none of the events which would be a ground for termination of his employment as described in paragraph (h)(i) above have arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of 12 months following the date of his death.

(k) Effect of Alterations to Share Capital

In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of Shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number of Shares subject to Options already granted so far as unexercised and remain exercisable; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option(s),

or any combination thereof, provided that:

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and

- (b) notwithstanding paragraph (k)(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be made based on one used in accounting standards in adjusting the earnings per share as the acceptable adjustments set out in the supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005 and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time;
- (c) no adjustments shall be made to the extent that a Share would be issued at less than its nominal value (if any); and
- (d) no adjustments shall be required in circumstances where there is an issue of Shares as consideration in a transaction.

In respect of any such adjustments, an independent financial advisor or the auditor of the Company must certify in writing that the adjustments satisfy the requirements in paragraphs (k)(a) and (k)(b) above and the requirements under Rule 17.03(13) of the Listing Rule and the notes thereto.

(l) Rights on a General Offer by way of Takeover

In the event of a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (m) below) being made to all the Shareholders (or all such Shareholders 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 date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company.

(m) Rights on a General Offer by way of Scheme of Arrangement

In the event of a general offer for Shares by way of scheme of arrangement being made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.

(n) Rights on Winding-up

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company)

exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise in the register of members of the Company.

(o) Rights on a Compromise or Arrangement

In the event a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph (m) above) between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all the Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and the Grantee (or his legal personal representative) may at any time thereafter but before such time as shall be notified by the Company, exercise the Option either to its full extent or to the extent notified by the Company and the Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise in the register of members of the Company.

(p) Ranking of Shares

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the name of the Grantee is registered in the register of members of the Company and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date when the name of the Grantee is registered in the register of members of the Company other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the name of the Grantee is registered in the register of members of the Company.

(q) Period of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its adoption, after which period no further Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Option granted or exercised prior thereto or otherwise as may be required under the Share Option Scheme.

(r) Alterations to the Share Option Scheme

- (i) The Share Option Scheme may be altered in any respect by a resolution of the Board, except that:
 - (a) the specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules and the definition of “Grantee” in the Share Option Scheme cannot be altered to the advantage of Participants and changes to the authority of the Board or the administrator of the Share Option Scheme in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting (with all Grantees, prospective Grantees and their close associates (or their associates if the Grantees are connected persons) who are Shareholders abstaining from voting); and
 - (b) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by the Shareholders in general meeting (with all Grantees, prospective Grantees and their close associates (or their associates if the Grantees are connected persons) who are Shareholders abstaining from voting), except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (ii) The Share Option Scheme so altered must comply with Chapter 17 and other relevant requirements of the Listing Rules then applicable.

(s) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect conditional upon:

- (i) the passing of the resolution by the Shareholders to (i) approve and adopt the Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and (ii) terminate the 2007 Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of any Options (subject to an initial limit of 10% of the total number of Shares in issue on the date of such Shareholders’ resolution to approve and adopt the Share Option Scheme).

(t) Lapse of Option

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

- (i) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);
- (ii) subject to paragraphs (t)(iii) and (t)(iv) below, the expiry of the periods referred to in paragraphs (h), (i), (j), (l) to (o) above respectively;
- (iii) the expiry of the period referred to in paragraph (l) above, subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer;
- (iv) subject to the scheme of arrangement (referred to in paragraph (m) above) becoming effective, the expiry of the period for exercising the Option referred to in paragraph (m) above;
- (v) the date of commencement of the winding-up of the Company;
- (vi) the date on which the Grantee ceases to be a Participant as referred to in paragraphs (h)(i) and (h)(ii) above;
- (vii) the date on which the Grantee commits a breach of paragraph (g) above;
- (viii) the date the Grantee ceases to be a Participant for any other reason;
- (ix) the termination of the Share Option Scheme in accordance with paragraph (u) below; and
- (x) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option unless otherwise resolved to the contrary by the Board.

(u) Termination of the Share Option Scheme

The Company, by ordinary resolution in general meeting on which only such Shareholder(s) who do not have an interest in the Share Option Scheme may vote, or the Board may at any time terminate the Share Option Scheme and in such event no further Options may be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the Share Option Scheme.

(v) Restriction on Grant of Option

A grant of Options may not be made after inside information (as defined under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to the Company's knowledge until such information has been announced as prescribed by the Listing Rules. In particular, during the period commencing one month immediately before the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year or half-year period under the Listing Rules, or any other interim or quarter-year period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year period under the Listing Rules or any other interim or quarter-year period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

(w) Cancellation

- (i) The Board may effect the cancellation of any Options granted but not exercised or lapsed on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of paragraph (g) above, the Board may cancel any outstanding Option without the relevant Grantee's agreement.
- (ii) Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the Share Option Scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

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BIRMINGHAM INTERNATIONAL HOLDINGS LIMITED

伯明翰環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

NOTICE IS HEREBY GIVEN that an annual general meeting of Birmingham International Holdings Limited (the “**Company**”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 30 December 2016 at 10:30 a.m. for the purposes to consider and, if thought fit, pass the following ordinary resolutions (as ordinary business):

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and auditor for the year ended 30 June 2016;
2. To re-elect the retiring directors of the Company and to authorise the Board of Directors to fix the directors’ remuneration;
3. To re-appoint ZHONGHUI ANDA CPA Limited as auditor of the Company and to authorise the Board of Directors to fix its remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), 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 in the share capital of the Company (the “**Shares**”) 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) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements or options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the total number of Shares allotted and issued 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 (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);

 - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares;

 - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or consultants and/or advisers of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares; or

 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the articles of association of the Company (the “**Articles of Association**”) from time to time,shall not exceed 20% of the total number of Shares in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 or any applicable law of the Cayman Islands to be held; or

 - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution passed by the shareholders of the Company in general meetings.

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“**Rights Issue**” means an offer of Shares, or issue of options, warrants or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares or any class of Shares (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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) “**THAT:**

- (a) subject to paragraph (b) 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 repurchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company (the “**Shares**”) which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution passed by the shareholders of the Company in general meetings.”

(C) “**THAT:**

conditional upon the passing of the resolutions numbered 4(A) and 4(B) as set out in the notice convening this meeting (the “**Notice**”), the general mandate granted to the directors of the Company (the “**Directors**”) to allot, issue and deal with additional shares of the Company (the “**Shares**”) pursuant to the said resolution numbered 4(A) as set out in the Notice be and is hereby extended by the addition thereto of such

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number of Shares repurchased by the Company under the authority granted to the Directors of the Company pursuant to the resolution numbered 4(B) as set out in the Notice, provided that such number of Shares so repurchased shall not exceed 10% of the total number of Shares in issue as at the date of the said resolution. ”

5. **“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company which may fall to be allotted and issued pursuant to the exercise of options granted under the proposed share option scheme of the Company (the **“Share Option Scheme”**) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose), (i) the existing share option scheme of the Company adopted on 30 July 2007 be and is hereby terminated, and (ii) the rules of the Share Option Scheme be and are hereby approved and the directors of the Company be authorised to grant options and allot and issue shares of the Company pursuant to the Share Option Scheme, and that directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the Share Option Scheme.”

By Order of the Board
Birmingham International Holdings Limited
Zhao Wenqing
*Executive Director, Chairman and
Chief Executive Officer*

Hong Kong, 28 November 2016

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 who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at a general meeting of the Company or at class meeting. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders shall be present at the 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.
- (3) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be returned to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting, and in default the form of proxy shall not be treated as valid. The completion and return of the form of proxy shall not preclude members from attending and voting in person at the meeting (or any adjourned meeting thereof) should they so wish.

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