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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 Greater China Financial Holdings Limited, you should at once hand this circular, the accompanying form of proxy and the 2020 Annual Report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**大中華金融控股有限公司**  
**GREATER CHINA FINANCIAL HOLDINGS LIMITED**  
*(incorporated in Bermuda with limited liability)*

(Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

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

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A notice convening the annual general meeting of Greater China Financial Holdings Limited (the "Company") to be held at Suites 3612-16, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 10 June 2021 at 11:00 a.m. is set out on pages 28 to 33 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the meeting or any adjournment thereof if they so wish.

30 April 2021

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## DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders
“AGM”	the annual general meeting of the Company to be held at Suites 3612-16, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 10 June 2021 at 11:00 a.m. or at any adjournment thereof
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“close associate”	has the same meaning as ascribed to it under the Listing Rules
“Codes”	the Codes on Takeovers and Mergers and Share Buy-backs
“Company”	Greater China Financial Holdings Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the Main Board of the Stock Exchange
“core connected persons”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Participant”	has the meaning ascribed to it under paragraph (b) of “APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME”
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 20 June 2011
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares representing in number up to 20% of the issued Shares as at the date of passing of such resolution at the AGM
“Latest Practicable Date”	21 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise power of the Company to repurchase Shares representing in number up to 10% of the issued Shares as at the date of passing of such resolution at the AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Share Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Shareholders at the AGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of the Codes
“2020 Annual Report”	annual report of the Company for the year ended 31 December 2020
“%”	per cent.

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## LETTER FROM THE BOARD

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# 大中華金融控股有限公司 GREATER CHINA FINANCIAL HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

(Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

*Executive Directors:*

Liu Kequan (*Chairman*)  
Yang Dayong (*Chief Executive Officer*)  
Zhang Peidong

*Independent Non-executive Directors:*

Kwan Kei Chor  
Lyu Ziang  
Zhou Liangyu

*Principal Place of business:*

Suites 3612-16, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

*Registered office:*

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

30 April 2021

*To the Shareholders,*

Dear Sir/Madam,

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

### INTRODUCTION

The Director will seek the approval of the Shareholders at the AGM for, among other things; (i) the renewal of the Issue Mandate and Repurchase Mandate; (ii) re-election of Directors; and (iii) adoption of the Share Option Scheme and the termination of the Existing Share Option Scheme. The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM, the relevant information under the Listing Rules and to give you notice of the AGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. The number of Shares that may be repurchased on the Stock Exchange pursuant to the Repurchase Mandate will not exceed 10% of the total number of issued Shares as at the date of passing the relevant resolution. The terms of the ordinary resolution provide that if the Company conducts a share consolidation or subdivision after the Repurchase Mandate is granted, the maximum number of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same.

The Repurchase Mandate will end on 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 to be held by the laws of Bermuda or the Bye-laws; or (iii) the revocation or variation of such authority by ordinary resolution of the Shareholders in general meeting of the Company.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement which is set out in Appendix I of this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal in additional Shares up to 20% of the issued Shares (i.e. 1,555,171,524 Shares based on 20% of the issued Share as at the Latest Practicable Date) as at the date of passing of the resolution.

The Issue Mandate will end on 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 to be held by the laws of Bermuda or the Bye-laws; or (iii) the revocation or variation of such authority by ordinary resolution of the Shareholders in general meeting of the Company.

Subject to the passing of the aforesaid ordinary resolutions approving the Repurchase Mandate and the Issue Mandate, a separate ordinary resolution will also be proposed to authorise the Directors to extend the Issue Mandate by adding the number of Shares repurchased pursuant to the Repurchase Mandate since the grant of the Repurchase Mandate. The terms of the ordinary resolution provide that if the Company conducts a share consolidation or subdivision after the Issue Mandate is granted, the maximum number of Shares that may be issued under the Issue Mandate as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same.

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## LETTER FROM THE BOARD

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### ADOPTION OF THE SHARE OPTION SCHEME AND THE TERMINATION OF THE EXISTING SHARE OPTION SCHEME

#### **The Existing Share Option Scheme**

On 20 June 2011, the Company adopted the Existing Share Option Scheme. The Existing Share Option Scheme will expire on the tenth anniversary of its adoption. As at the Latest Practicable Date, there are 300,000,000 share options remain outstanding and exercisable upon. The outstanding options granted under the Existing Share Option Scheme remain valid upon expiry of the Existing Share Option Scheme. The Existing Share Option Scheme will expire on 19 June 2021. To enable the Company to continue to grant Share Options to Eligible Participants as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the AGM to terminate the Existing Share Option Scheme with effect from the Adoption Date and to approve and adopt the Share Option Scheme.

#### **The Share Option Scheme**

A summary of the principal terms of the Share Option Scheme is set out in Appendix III of this circular.

The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

As disclosed in paragraph (B) of Appendix III to this circular, to be an Eligible Participants, the over-riding principle is that the person must have contributed or will contribute to the Group. The scope of Eligible Participants under the Share Option Scheme is in line with the Eligible Participants of the Existing Share Option Scheme. The Company considers that the inclusion of persons other than the employees and directors of the Group as Eligible Participants is appropriate, as the successful development of the Group could not be achieved by the Directors and employees alone and will also depend on the cooperation of the business partners of the Group, including advisors, consultants, agents and suppliers, which all play an important role in the business of the Group. Given that the success of the Group requires the cooperation and contribution from such parties, the inclusion of any potential suppliers, customers, consultants and agents is to provide Board with sufficient flexibility under the Share Option Scheme to grant Share Options incentivize and reward persons who have or will contribute to the Group. Practically, since the adoption of the Existing Share Option Scheme in 2011, the Company has only granted Share Options to a Director, certain employees and consultants of the

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## LETTER FROM THE BOARD

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Group. Going forward, under the overriding principle that any potential grantees must be persons who have or will contribute to the Group, in evaluating whether any customers, consultants and agents, the Company will consider various factors including (i) their length of providing the relevant services to the Group; (ii) the materiality and nature of their services provided to the Group (including for example whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iii) their track record in the quality of services provided to the Group; and (iv) whether the transaction amount is significant relative to the revenue or costs of the Group.

The Directors consider that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

Under the Share Option Scheme, the Board has the authority to set the terms and conditions in the grant of the Share Options (e.g. in relation to the minimum period of the Options to be held, the performance targets to be achieved before such Share Options can be exercised and to determine the subscription price). The Board considers that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant to achieve of the purpose of the Share Option Scheme.

None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee of the Share Option Scheme, if any.

The provisions of the Share Option Scheme comply with the requirements of Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were 7,775,857,621 Shares in issue. Assuming that no further Share will be allotted, issued, repurchased or cancelled prior to the AGM, the total number of Shares that may fall to be allotted and issued under the Share Option Scheme after the resolution regarding the proposed adoption of the Share Option Scheme is passed at the AGM would be 777,585,762 Shares, representing approximately 10% of the total number of Shares in issue, which together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 300,000,000 Existing Share Options granted under the Existing Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules. Details of the 300,000,000 outstanding Existing Share Options are set out below.

Exercise price	Date of grant	Holder(s)	Number of Existing Share Options	Validity period	Exercise period
HK\$0.200	30 December 2020	Dr. Lyu Ziang (Independent non-executive Director)	7,700,000	5 years commencing from the date of grant	exercisable from 30 December 2021 to 29 December 2025 (both days inclusive)
HK\$0.200	30 December 2020	Employees and Consultants	292,300,000	5 years commencing from the date of grant	exercisable from 30 December 2021 to 29 December 2025 (both days inclusive)
		Total:	300,000,000		



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## LETTER FROM THE BOARD

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The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. The pricing of the Share Options are also set out in paragraph (f) of Appendix III of this circular. The Directors believe that any estimate regarding the value of the Share Options will not be meaningful to the Shareholders, since the Share Options to be granted shall not be assignable, and no holder of the Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option.

As at the Latest Practicable Date, to the best of their knowledge and belief having made all reasonable enquiries, (i) no Share Option had been granted under the Share Option Scheme; and the Directors do not have any immediate plans or intention to grant options under the Share Option Scheme upon the Share Option Scheme becoming effective.

The Share Option Scheme is conditional upon the satisfaction of the conditions set out in paragraph (X) set out in Appendix III of this circular. 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 which may fall to be issued pursuant to the exercise of the Share Options granted under the Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Suites 3612-16, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, at normal business hours from the date of this circular up to and including the date of the AGM.

### **Termination of the Existing Share Option Scheme**

Under the terms of the Existing Share Option Scheme, the Company may at any time by resolution in general meeting terminate the Existing Share Option Scheme.

Subject to the approval of the Shareholders, it is proposed that the Existing Share Option Scheme be terminated with effect from the Adoption Date.

Upon termination of the Existing Share Option Scheme, no further options may be granted thereunder but the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination. Therefore, the adoption of the Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be valid and subject to the provisions of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTOR

The Board consists of six Directors, namely, Mr. Liu Kequan, Mr. Yang Dayong and Mr. Zhang Peidong as executive Directors and Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.

Pursuant to Bye-law 99(B) of the Bye-laws, at each annual general meeting one third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Zhang Peidong (“Mr. Zhang”) and Mr. Kwan Kei Chor (“Mr. Kwan”) shall retire from office at the AGM and, being eligible, offer themselves for re-election.

### INDEPENDENT NON-EXECUTIVE DIRECTOR NOMINATION PROCEDURES

At the coming AGM, the independent non-executive Director to offer himself for re-election will be Mr. Kwan. If re-elected, the Board also intends to re-appoint him to the audit committee and the remuneration committee of the Company.

The Board has delegated the role of identification and selection of potential Board members to the nomination committee of the Company (the “NC”). Following the procedures and practice set out in the Company’s nomination policy, the NC conceived Mr. Kwan’s selection through invitation from members of the Board, on which Mr. Kwan currently serves. A review of Mr. Kwan’s capacity for the appointment to the Board was made, followed by a review of his profile and background by the NC. An assessment of the merits of his re-election to the position was made by the NC. The factors the NC has taken into account include the skills, duties and leadership needs of the Board and its committees (including the mandatory requirements of the memberships of the audit committee and remuneration committee of the Company), Mr. Kwan’s professional competence, skills and experience including Board experience and relevance for the Board, track record of his ability and contributions in his past service on the Board as an independent non-executive Director, length of his service on the Board, ability to exercise independent judgment, availability to continue to serve the Board having regard to any other existing directorship in other companies, listed or non-listed, as may be held by Mr. Kwan, the diversity considerations under the board diversity policy and his continued commitment in joining the Board.

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## LETTER FROM THE BOARD

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On the recommendation of the NC, the Board has determined that Mr. Kwan's re-election at the AGM is in the interest of the Company, and therefore has unanimously resolved to recommend the Shareholders to re-elect Mr. Kwan at the AGM. The Board is satisfied that, *inter alia*, Mr. Kwan would continue to bring his independent perspective, management skills and experience gained in corporate accounting to the Board, and contribute to its diversity in skills, length of service, perspective and experiences. The Board has also determined that Mr. Kwan to be independent after having assessed, among other things, the guidelines for assessing independence in accordance with the prevailing Rule 3.13 of the Listing Rules and his confirmation of satisfaction of the same, his track record of service as an independent non-executive Director and his personal integrity.

Further information about the Board's composition and diversity policy, Directors' attendance record at Board/committee meetings are disclosed in the Company's 2020 Annual Report.

### **ANNUAL GENERAL MEETING**

A notice of the AGM is set out on pages 28 to 33 of this circular. At the AGM, in addition to the ordinary business of the meeting, ordinary resolutions will be proposed to approve the Repurchase Mandate, the Issue Mandate and the extension thereof, the re-election of Directors and the adoption of the Share Option Scheme and the termination of the Existing Share Option Scheme. All resolutions to be proposed at the AGM will be voted on by poll.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 7 June 2021 to Thursday, 10 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order for a Shareholder to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 4 June 2021.

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## LETTER FROM THE BOARD

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### 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 Directors are pleased to recommend Mr. Zhang and Mr. Kwan, details of whom are set out in Appendix II of this circular, to be re-elected as Directors in the AGM.

The Directors are of the opinion that the Repurchase Mandate, the Issue Mandate and the extension thereto, the adoption of the Share Option Scheme and the termination of the Existing Share Option Scheme and the re-election of Directors, are each in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM.

Yours faithfully,

For and on behalf of the Board of

**Greater China Financial Holdings Limited**

**Liu Kequan**

*Chairman*

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for the Shareholders to consider the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 7,775,857,621 Shares.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 777,585,762 Shares, being 10% of the total number of issued Shares as at the Latest Practicable Date.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of the Company and its assets and/or earnings per Share. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the best interests of the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the company that would otherwise be available for distribution by way of dividend or distribution or out of the share premium account of the company. In addition, under the laws of Bermuda, no repurchase by a company of its own shares may be effected if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due. In accordance with the laws of Bermuda, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

On the basis of the consolidated financial position of the Company disclosed in its most recent published audited financial statements and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full. No repurchase would be made in circumstances that would, in the opinion of the Directors, have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements) from time to time.

#### 4. SHARE PRICES

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

	Price per Share	
	Highest HK\$	Lowest HK\$
2020		
April	0.203	0.190
May	0.200	0.193
June	0.199	0.190
July	0.199	0.191
August	0.205	0.192
September	0.202	0.195
October	0.205	0.196
November	0.202	0.193
December	0.200	0.195
2021		
January	0.205	0.196
February	0.228	0.199
March	0.241	0.205
April (Up to and including the Latest Practicable Date)	0.220	0.209

## 5. 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 repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, its memorandum of association and Bye-laws and the laws of Bermuda.

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their close associates have any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected persons have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

## 6. TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a Shareholder in the voting rights of the Company, which is treated as an acquisition of voting rights under Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, the following substantial Shareholders are interested in more than 10% of the Share then in issue:

Name of shareholders	No. of Shares held	Percentage of shareholding in the Company	
		As at the Latest Practicable Date	Exercise in full of the Repurchase Mandate
Eastern Spring Global Limited <i>(Note 1)</i>	1,447,750,000	18.62%	20.69%
Skill Rich Limited <i>(Note 2)</i>	1,000,000,000	12.86%	14.29%

*Notes:*

- (1) The entire issued share capital of Eastern Spring Global Limited is wholly-owned by Mr. Liu Kequan.
- (2) The entire issued share capital of Skill Rich Limited is wholly-owned by Mr. Chen Zheng.

On the basis that no further Shares are issued or repurchased prior to the AGM, in the event that the Directors exercise in full the Repurchase Mandate, the interests of the above substantial Shareholders would be increased to such percentages of the issued share capital of the Company as set out in the fourth column of the above table. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Repurchase Mandate. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in any Shareholder becoming obliged to make a general offer under Rule 26 of the Takeovers Code, or otherwise would result in the number of Shares held by the public falling below the prescribed minimum percentage of public float under the Listing Rules.

#### **7. SHARE REPURCHASES MADE BY THE COMPANY**

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



**MR. ZHANG PEIDONG**, aged 53, was appointed as independent non-executive Director on 30 June 2016. He was re-designated as an executive Director on 5 July 2016. Mr. Zhang is currently the managing director of Yongsheng (HK) International Co., Limited which was previously owned by a Hong Kong listed company. He has over 20 years of experience in investment, corporate management and international trade industry. Mr. Zhang graduated from Jilin University of Technology (now known as Jilin University) with a major in metallic materials engineering.

Save as disclosed above, Mr. Zhang did not hold any other directorship in listed public companies during the past three years.

Pursuant to a service agreement entered into between the Company and Mr. Zhang, he is entitled to receive by way of annual remuneration and allowances for his services of approximately HK\$360,000, a discretionary bonus and share options of the Company, which is determined by the remuneration committee of the Company and with reference to his duties and responsibilities within the Company and the prevailing market rate. The appointment of Mr. Zhang is for a term of three years and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

Save as disclosed above, Mr. Zhang did not have any relationship with any Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Zhang did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There are no other matters or information in relation to Mr. Zhang that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**MR. KWAN KEI CHOR**, aged 54, was appointed as an independent non-executive Director on 4 May 2015. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwan has over 10 years of experience in corporate accounting and worked in a number of listed companies. He holds a Master's degree in Accounting from Curtin University of Technology (now known as Curtin University).

Save as disclosed above, Mr. Kwan did not hold any other directorship in listed public companies during the past three years.

Pursuant to a service agreement entered into between the Company and Mr. Kwan, he is entitled to receive by way of annual remuneration and allowances for his services of approximately HK\$360,000, a discretionary bonus and share options of the Company, which is determined by the remuneration committee of the Company and with reference to his duties and responsibilities within the Company and the prevailing market rate. The appointment of Mr. Kwan is for a term of three years and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

Save as disclosed above, Mr. Kwan did not have any relationship with any Director, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Kwan did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There are no other matters or information in relation to Mr. Kwan that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

*The following is a summary of the principal terms of the Share Option Scheme.*

**(A) PURPOSE**

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

**(B) WHO MAY JOIN**

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “Eligible Participants”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (F) below:

Any full-time or part-time employees, executives, officers or directors (including non-executive directors and independent non-executive directors) of the Group and any suppliers, customers, consultants, agents and advisors who, in the sole opinion of the Board, will contribute or have contributed to the Group

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

**(C) ACCEPTANCE OF AN OFFER OF OPTIONS**

Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (L), (M), (N), (O) and (P), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (R), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorized share capital of the Company.

**(D) MAXIMUM NUMBER OF SHARES**

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (R) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. Subject to note (3) to Rule 17.03(3) of the Listing Rules, the maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (R) below shall in no event shall exceed the limit prescribed in this paragraph (D).

**(E) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state).

**(F) PRICE OF SHARES**

Subject to any adjustments made as described in paragraph (R) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

**(G) GRANTING OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR RESPECTIVE ASSOCIATES**

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

**(H) RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS**

A grant of options shall not be made after inside information has come to the knowledge of the Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:
  - (1) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

- (2) no option shall be granted during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**(I) RIGHTS ARE PERSONAL TO GRANTEE**

An option and an offer to grant an option shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

**(J) TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

**(K) PERFORMANCE TARGET**

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

**(L) RIGHTS ON CEASING EMPLOYMENT OR DEATH**

If the grantee of an option ceases to be an Eligible Participant

- (i) by any reason other than death or termination of his/her employment on the grounds specified in paragraph (M) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or



- (ii) by reason of death, his/her personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

**(M) RIGHTS ON DISMISSAL**

If the grantee of an option ceases to be an employee of the Group on the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty or in relation to an employee of the Group (if so determined by the Board), or has become insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, or 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 the Group, his/her option will lapse and not be exercisable after the date of termination of his/her employment.

**(N) RIGHTS ON TAKEOVER**

If a general offer is 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 concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option 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.

**(O) RIGHTS ON WINDING-UP**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above 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, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

**(P) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY  
AND ITS MEMBERS OR CREDITORS**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by 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 (such notice to be received by the Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

**(Q) RANKING OF SHARES**

The Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

**(R) EFFECT OF ALTERATIONS TO CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto, FAQ 072-2020 and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**(S) EXPIRY OF OPTION**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (L), (M), (N), (O) or (P);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (P) becomes effective;
- (iv) subject to paragraph (O), the date of commencement of the winding-up of the Company;

- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Group or the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or 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 the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

**(T) ALTERATION OF THE SHARE OPTION SCHEME**

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

**(U) CANCELLATION OF OPTIONS**

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. Where the Company cancels options and issues new ones to the same option holder, the issue of such new options may only be made under the Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by the Shareholders as mentioned in note (1) to rule 17.03(3). For the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph (I).

**(V) TERMINATION OF THE SHARE OPTION SCHEME**

The Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

**(W) ADMINISTRATION OF THE BOARD**

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

**(X) CONDITION OF THE SHARE OPTION SCHEME**

The Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme; and
- (ii) the passing of ordinary resolution(s) by the Shareholders at the Annual General Meeting to approve and adopt the Share Option Scheme, authorise the Board to grant Share Options under the Share Option Scheme, to allot and issue Shares pursuant to the exercise of any Share Options to be granted pursuant to the Share Option Scheme.

**(Y) DISCLOSURE IN ANNUAL AND INTERIM REPORTS**

The Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

**(Z) PRESENT STATUS OF THE SHARE OPTION SCHEME**

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN** that the annual general meeting of Greater China Financial Holdings Limited (the “Company”) will be held at Suites 3612-16, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 10 June 2021 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors (the “Director(s)”) and of the auditor of the Company for the year ended 31 December 2020.
2. (A) To re-elect Mr. Zhang Peidong as a Director.  
  
(B) To re-elect Mr. Kwan Kei Chor as a Director.  
  
(C) To fix the remuneration of Directors.
3. To re-appoint HLM CPA Limited as auditor of the Company and authorize the board of Directors to fix its remuneration.

As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### **ORDINARY RESOLUTIONS**

4. **“THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (defined as below) of all powers of the Company to repurchase ordinary shares of the Company (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognized, for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and

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## NOTICE OF ANNUAL GENERAL MEETING

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requirements of the Rules Governing the Listing of Securities in the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of Shares which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue at the date of passing this resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be purchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and such maximum number of Shares shall be proportionately adjusted, and powers granted under such approval shall be limited to that extent accordingly; and

- (c) for the purpose of this resolution:

“Relevant Period” means the period from the time of 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 laws of Bermuda or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5. **“THAT:**

- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal in (i) Shares; (ii) securities convertible into Shares; or (iii) options, warrants or similar rights to subscribe for any Shares or such convertible securities, and to make or grant offers, agreements and options which would or might require such securities to be issued, allotted or disposed of, in exercise of such powers, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of Shares 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 (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of Shares upon the exercise of subscription rights or conversion rights under any existing warrants of the Company or any securities of the Company which are convertible into Shares; (iii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors or employees of the Company and/or any of its subsidiaries of shares in the capital of the Company or rights to acquire Shares in the capital of the Company, shall not exceed 20% of the total number of Shares in issue as at the date of this resolution;
- (c) if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as may be extended by resolution no. 6 set out in the notice convening this meeting if so passed, as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same, and such maximum number of Shares shall be proportionately adjusted, and powers granted under such approval shall be limited to that extent accordingly;
- (d) the approval in this resolution shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers to allot, issue or dispose of such securities as referred to in paragraph (a) above after the end of the Relevant Period and to make such allotment, issue and disposal under such offers, agreements and options; and
- (e) for the purpose of this resolution:

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earlier 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 laws of Bermuda or the bye-laws of the Company to be held; or
  - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.



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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such Shares or class thereof (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 recognized regulatory body of any stock exchange in, any territory outside Hong Kong).”

6. “**THAT** conditional upon the passing of resolution nos. 4 and 5 above set out in the notice of the meeting of which this resolution forms part, the number of Shares which are repurchased by the Company under the powers granted pursuant to (and subject to the limits of) resolution no. 4 above shall be added to the Shares and other securities of the Company which may be allotted, issued and deal in or agreed conditionally or unconditionally to be allotted, issued and deal in by the Directors pursuant to resolution no. 5 above.”
  
7. “**THAT:**
  - (i) subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the “Share Option Scheme”, a copy of which has been produced to the Annual General Meeting marked ‘A’ and initialled by the chairman of the Annual General Meeting for the purpose of identification):
    - (a) the Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the Share Option Scheme subject to the terms of the Share Option Scheme and Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and
    - (b) the Directors be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) Conditional upon the Share Option Scheme becoming effective, the existing share option scheme (the “Existing Share Option Scheme”) for the Company which was adopted by the Company on 20 June 2011 be and is hereby terminated upon the Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

By order of the Board of  
**Greater China Financial Holdings Limited**  
**Liu Kequan**  
*Chairman*

Hong Kong, 30 April 2021

*Principal Place of Business in Hong Kong:*

Suites 3612-16, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

*Registered Office:*

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. A form of proxy in respect of the meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting thereof if you so wish. In the event that you attend the meeting after having lodged the form of proxy, it will be deemed to have been revoked.
4. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto if more than one of such joint holders are present at the above 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. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 7 June 2021 to Thursday, 10 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order for a member of the Company to be eligible to attend and vote at the meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 4 June 2021.