
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Uptown Group Company Limited**, you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer, other licensed corporation or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

The notice convening the annual general meeting of the Company to be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 29 May 2019 at 11:30 a.m. is set out on pages 32 to 38 of this circular. Whether or not you intend to attend the AGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and at any adjournment thereof, should you so wish.

25 April 2019

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
– Introduction	4
– General mandate to issue shares	5
– General mandate to repurchase shares	5
– General mandate to extend the issue mandate	6
– Re-election of retiring directors	6
– Proposed Termination of Existing Share Option Scheme and adoption of New Share Option Scheme	7
– Annual general meeting	9
– Responsibility statement	10
– Recommendations	10
Appendix I – Explanatory statement	11
Appendix II – Details of directors proposed to be re-elected at the AGM	15
Appendix III – Summary of principal terms of New Share Option Scheme	19
Notice of AGM	32

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 29 May 2019 at 11:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of AGM which is set out on pages 32 to 38 of this circular, or any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	China Uptown Group Company Limited (Stock Code: 2330), 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
“core connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 30 November 2009
“Grantee(s)”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person

DEFINITIONS

“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 PRC
“Invested Entity”	an entity in which the Group holds any equity interest (irrespective of the percentage of such equity interest)
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	17 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed to this term under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix III to this circular
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Option”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme and for the time being subsisting

DEFINITIONS

“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of the AGM
“Participant(s)”	person(s) who or which is/are eligible to participate as grantee(s) in and receive Options under the New Share Option Scheme, as set out in the paragraph headed “(C) Who may join” in Appendix III to this circular
“PRC”	The People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of Hong Kong Laws)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

LETTER FROM THE BOARD



China Uptown Group Company Limited

中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

Executive Directors:

Mr. LIU Feng (*Chairman*)
Mr. CHEN Xian (*Vice-Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. LIU Zhongxiang

Registered Office:

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

Independent Non-Executive Directors:

Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen
Ms. LI Jiansheng

*Head Office and Principal Place
of Business in Hong Kong:*

Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

25 April 2019

To the Shareholders

Dear Sirs,

**GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND ADOPTION OF NEW 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 Ordinary Resolutions to be proposed to seek approval of the Shareholders at the AGM in respect of, among other matters, (i) the Issue Mandate; (ii) the Repurchase Mandate; (iii) general mandate to extend the Issue Mandate; (iv) the re-election of retiring Directors; and (v) termination of Existing Share Option Scheme and adoption of New Share Option Scheme. In compliance with the Listing Rules, this circular contains an explanatory statement which provides all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolution approving the Repurchase Mandate and other relevant information.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 15 June 2018, an ordinary resolution was passed by the then Shareholders granting the existing issue mandate to the Directors, which is due to expire at the conclusion of the AGM.

An Ordinary Resolution will be proposed at the AGM to grant to the Directors a fresh Issue Mandate i.e. a general and unconditional mandate to allot, issue and deal with additional Shares with an aggregate not exceeding 20% of the total number of Shares in issue as at the date of the passing of such resolution.

On the basis of the total number of 1,824,690,520 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be allotted, issued or repurchased prior to the AGM, the maximum number of Shares which may fall to be issued under this proposed Issue Mandate will be 364,938,104 Shares.

The Issue Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 15 June 2018, an ordinary resolution was passed by the then Shareholders granting the existing repurchase mandate to the Directors, which is due to expire at the conclusion of the AGM.

An Ordinary Resolution will be proposed at the AGM to grant to the Directors a fresh Repurchase Mandate i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of Shares of up to 10% of the total number of Shares in issue as at the date of passing of such resolution. The Repurchase Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM THE BOARD

GENERAL MANDATE TO EXTEND THE ISSUE MANDATE

As at the Latest Practicable Date, a total of 300,212,000 Shares were issued under the general mandate. Under the Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules is set out in the Appendix I to this circular.

An Ordinary Resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of the number representing the total number of Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution approving the Issue Mandate.

RE-ELECTION OF RETIRING DIRECTORS

In relation to the Ordinary Resolution no. 2 set out in the notice of the AGM regarding the re-election of retiring Directors, the executive Director, Mr. Liu Zhongxiang and the independent non-executive Directors, Mr. Poon Lai Yin Michael and Ms. Li Jiansheng shall retire from office by rotation at the AGM pursuant to article 87(1) of the Articles, and being eligible, offer themselves for re-election at the AGM.

Mr. Poon Lai Yin Michael was appointed as an independent non-executive Director on 29 November 2006. Therefore, he has served the Company for more than 9 years. Mr. Poon Lai Yin Michael and Ms. Li Jiansheng have made annual confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Poon Lai Yin Michael and Ms. Li Jiansheng are independent in accordance with the independence guidelines. Mr. Poon Lai Yin Michael is a fellow member of HKICPA and CPA Australia with over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. He is also an independent non-executive director of several other companies listed on the Stock Exchange and other oversea stock exchanges. Ms. Li Jiansheng is a member of the Institute of Certified Public Accounts of the PRC and obtained certificate for practicing as PRC Corporate Legal Advisor from the Ministry of Personnel of the PRC. She has extensive experience in accounting and finance and legal advisory. They have their territory education in different countries. Ms. Li Jiansheng is also the only female director of the Company. These characteristics will greatly contribute to the diversity of the Board. Details of their biographies are set out in Appendix II on pages 15 to 18 to this circular. In view of integrity, extensive knowledge and experience, the Company recommends Mr. Poon Lai Yin Michael and Ms. Li Jiansheng to be re-elected as independent non-executive Directors.

LETTER FROM THE BOARD

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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

The Existing Share Option Scheme, with a term of 10 years, will expire on 29 November 2019. In view that the Existing Share Option Scheme is to expire soon, an ordinary resolution will be proposed at the AGM to terminate the Existing Share Option Scheme and to approve and adopt the New Share Option Scheme and to give the Directors the power to implement and administer the New Share Option Scheme with effect from the adoption date.

Following the termination of the Existing Share Option Scheme, no further options will be granted under such scheme, but in all other respects the provisions of the Existing 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 Existing Share Option Scheme.

As at the Latest Practicable Date, there were in total 64,000,000 Options outstanding under the Existing Share Option Scheme and the Company had no other share option scheme.

Reason for adopting the New Share Option Scheme

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity and/or to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, there were 1,824,690,520 Shares in issue. Assuming that there is no change in the total number of Shares in issue during the period from the Latest Practicable Date to the date of AGM, the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company (if any) will be 182,469,052 Shares, being 10% of the total number of Shares in issue.

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

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolution approving the adoption of the New Share Option Scheme to be proposed at the AGM.

Conditions

The New Share Option Scheme is conditional upon the following:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to terminate the Existing Share Option Scheme and to approve and adopt the New Share Option Scheme and authorize the Board to grant Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options granted under the New Share Option Scheme; and
- (b) the Listing Committee 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 to be granted under the New Share Option Scheme.

Application will be made to the Listing Committee for the granting of the approval of the listing of and permission to deal in the Shares which may fall to be issued upon exercise of the Options which may be granted under the New Share Option Scheme.

The New 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 New Share Option Scheme provides that the Directors may, at their discretion, fix any minimum period for which an Option must be held, any performance target that must be reached and/or any other terms that must be fulfilled before an Option can be exercised. The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised. Such conditions may assist the Group to retain employees of the Group and/or Invested Entity and its relation with other Participants and provide incentive to the Participants to work for the betterment of business of the Group and/or Invested Entity.

LETTER FROM THE BOARD

Value of the Options

The Directors consider it inappropriate to state the value of any Options which may be granted under the New Share Option Scheme, as a number of variables which are crucial for the valuation (such as the possibility of lapses or cancellations of Options granted, cessation of the Grantee as a Participant not foreseeable nor controllable by the Directors at this stage) cannot be determined evidently at this stage. Such variables also include the exercise price of the Options and the conditions, if any, that an Option is subject to. Accordingly, any valuation of the Options based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such a trustee.

Summary of the principal terms of the New Share Option Scheme are set out in Appendix III on pages 19 to 31 to this circular. A copy of the New Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the AGM.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 32 to 38 of this circular. At the AGM, Ordinary Resolutions will be proposed to approve, inter alia, the grant of the Issue Mandate, the Repurchase Mandate, the general mandate to extend the Issue Mandate to the Directors and the re-election of retiring Directors.

A form of proxy for use at the AGM is enclosed herewith. If you are unable to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company's principal place of business in Hong Kong at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

In order to attend the annual general meeting of the Company to be held on Wednesday, 29 May 2019, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 23 May 2019.

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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

The Board considers that the resolutions in relation to the Issue Mandate, the Repurchase Mandate, the general mandate to extend the Issue Mandate, the re-election of retiring Directors and the termination of Existing Share Option Scheme and adopting of New Share Option Scheme to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

Yours faithfully,
By Order of the Board
China Uptown Group Company Limited
Fu Lui
Company Secretary

This appendix serves as an explanatory statement containing all the information required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate proposed to be granted at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company was HK\$182,469,052 comprising 1,824,690,520 Shares.

Assuming exercise in full of the Repurchase Mandate, on the basis of the total number of 1,824,690,520 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased prior to the AGM, the Directors would be authorised to repurchase up to 182,469,052 Shares during the period ending on the earliest of (i) the date of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands, and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. REASONS FOR THE REPURCHASE

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

3. FUNDING OF REPURCHASES

Repurchase made pursuant to the Repurchase Mandate must be funded out of funds which are legally available for the purpose in accordance with the memorandum of association of the Company, the Articles and the applicable laws of the Cayman Islands.

The laws of the Cayman Islands 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 funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a new issue of Shares made for the purpose of the repurchase. The amount of premium payable on the repurchase may only be paid out of either funds of the Company which would otherwise be available for dividend or distribution or the share premium account.

4. GENERAL

The Directors consider that there might be a material adverse impact on the working capital or gearing position as disclosed in the audited financial statement of the Company for the year ended 31 December 2018 in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

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

As at the Latest Practicable Date, the Company has not been notified by any of its core connected persons (as defined in the Listing Rules) that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

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

7. EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If on the exercise of the power under the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert 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. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

The Directors have no present intention to exercise the Repurchase Mandate to such extent so as to result in triggering takeover obligation or the public float of Shares would be reduced below 25% of the total number of Shares in issue.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the following Shareholders had beneficial interests representing 5% or more of the total number of Shares in issue within the meaning of Part XV of the SFO. In the event that the Repurchase Mandate is exercised in full, the interest of such persons will be increased to approximately the percentage set out in the last column as follows:

Name of Shareholders	Number of Ordinary Shares held	Approximate percentage of existing shareholding	Approximate percentage shareholding if the Repurchase Mandate is exercised in full
China Sugar Holdings Limited (<i>Note 1</i>)	242,105,262	13.27	14.74
Mr. Liu Zhongxiang (<i>Note 1</i>)	242,105,262	13.27	14.74
	15,000,000 (<i>Note 2</i>)	0.82	0.91
Guangdong Nanyue Bank First Direct Branch* (<i>Note 3</i>)	242,105,262	13.27	14.74
Chen Qiang	149,500,000	8.19	9.10

* For identification purpose only

Notes:

- China Sugar Holdings Limited is 100% owned by Mr. Liu Zhongxiang, an executive Director. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to have interest of the Shares held by China Sugar Holdings Limited.
- 15,000,000 Shares represent the share options granted to Mr. Liu Zhongxiang by the Company under the Existing Share Option Scheme.

3. China Sugar Holdings Limited has provided a share charge in respect of the 242,105,262 Shares held by it in favour of Guangdong Nanyue Bank First Direct Branch*.

The Directors are not aware of any consequences that may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate. As at the Latest Practicable Date, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	0.230	0.201
May	0.210	0.178
June	0.189	0.161
July	0.210	0.152
August	0.188	0.153
September	0.250	0.145
October	0.204	0.144
November	0.162	0.143
December	0.178	0.140
2019		
January	0.165	0.109
February	0.134	0.118
March	0.127	0.091
April (up to the Latest Practicable Date)	0.116	0.087

PARTICULARS OF DIRECTORS FOR RE-ELECTION

As required by the Listing Rules, the details of the Directors proposed to be re-elected at the AGM are set out below.

EXECUTIVE DIRECTOR

Mr. Liu Zhongxiang, aged 31, was appointed as an executive Director on 30 September 2015. He is currently also a director of several subsidiaries of the Company. Mr. Liu Zhongxiang obtained a diploma of legal secretary from the People's Public Security University of China (中國人民公安大學) in 2009. Mr. Liu Zhongxiang has eight years of experience in diverse businesses, such as construction and sugar production and trading. Mr. Liu Zhongxiang is the son of Mr. Liu Feng, the chairman and the executive Director of the Company.

Mr. Liu Zhongxiang has entered into a service contract with the Company without a fixed term and is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Liu Zhongxiang is entitled to a remuneration of HK\$70,000 per month, which is covered by his service contract, plus double pay and discretionary bonus payment as determined by the remuneration committee of the Company based on Mr. Liu Zhongxiang's and the Company's performance. The remuneration package of Mr. Liu Zhongxiang is determined by reference to his duties, responsibilities and expected time commitment to the Company's affairs.

As at the date hereof, Mr. Liu Zhongxiang is interested in 257,105,262 Shares, among which 242,105,262 Shares are held through China Sugar Holdings Limited, a company wholly owned by Mr. Liu Zhongxiang and 15,000,000 Shares are the share options granted to him by the Company under the Existing Share Option Scheme. Save as disclosed, Mr. Liu Zhongxiang does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Liu Zhongxiang (i) does not hold any other positions in the Company or any of its subsidiaries; (ii) does not have any other relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) does not hold any other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date hereof; and (iv) does not have other major appointments or professional qualifications.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Lai Yin Michael (“Mr. Poon”), aged 47, was appointed as an independent non-executive Director on 29 November 2006. Mr. Poon is also the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a bachelor degree in administrative studies from York University in Canada and a master degree in practicing accounting with Monash University in Australia. Mr. Poon worked for an international accounting firm and was responsible for providing business advisory and assurance services for listed companies. He has over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is currently an independent non-executive director of Smartac Group China Holdings Limited (Stock Code: 395) and Teamway International Group Holdings Limited (Stock Code: 1239), the shares of which are listed on main board of the Stock Exchange since 29 January 2010 and 19 March 2019, respectively. Mr. Poon is the executive director of Huakang Biomedical Holdings Company Limited (Stock Code: 8622), since 3 August 2017, the shares of which are listed on GEM of the Stock Exchange. Mr. Poon is also currently an independent non-executive director of Gtyneon Holding Limited (SGX: 5HJ), since 11 August 2017, the shares of which are listed on the Singapore Exchange Limited. Mr. Poon was an alternate to Mr. Amir Gal-Or, a non-executive director of Vincent Medical Holdings Limited (Stock Code: 1612) from February 2016 to July 2017, the shares of which are listed on Stock Exchange, and the chief executive officer and company secretary of Anxin-China Holdings Limited (Stock Code: 1149) from February 2017 to May 2017, the shares of which were listed on main board of the Stock Exchange and were delisted on 20 December 2018.

Mr. Poon has entered into a letter of appointment with the Company for a term of three years commencing from 31 January 2018. However, he is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Poon is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Mr. Poon is not covered by any service contract. The remuneration package of Mr. Poon is determined by reference to performance of the Group and of Mr. Poon with reference to prevailing market conditions.

As at the date hereof, Mr. Poon has an interest in 1,000,000 Shares, which are the share options granted to him by the Company under the Existing Share Option Scheme. Saved as disclosed, Mr. Poon does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Poon (i) does not hold any other positions in the Company or any of its subsidiaries; (ii) does not have other relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) does not hold any other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date hereof; and (iv) does not have other major appointments or professional qualifications.

Ms. Li Jiansheng (“Ms. Li”), aged 64, was appointed as an independent non-executive Director on 30 September 2015. Ms. Li is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. Ms. Li was graduated from Dongbei University of Finance and Economics of China (中國東北財經大學) in July 1982, majoring in infrastructure economics. In October 2006, Ms. Li obtained the certificate for practicing as PRC Corporate Legal Advisor from the Ministry of Personnel, the Ministry of Justice and the State-owned Assets Supervision and Administration Commission of the State Counsel of the PRC. She was recognized as a senior accountant by the Ministry of Personnel of the PRC in 1993 and has been a member of the Institute of Certified Public Accountants of the PRC since 1999. Ms. Li obtained a master degree in Executive MBA from HEC Paris in 2007 and a master degree in Science in Applied Accounting and Finance from Hong Kong Baptist University in 2011. Ms. Li, for the period from September 2007 to March 2014, was appointed as vice president, chief financial officer and general legal advisor of China Railway Group Limited (Stock Code: 0390), the shares of which are listed on the main board of the Stock Exchange.

Ms. Li has entered into a letter of appointment with the Company for a term of three years commencing from 29 August 2018. However, she is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Li is entitled to an annual remuneration of HK\$180,000 without any bonus payment. The remuneration of Ms. Li is not covered by any service contract. The remuneration package of Ms. Li is determined by reference to performance of the Group and of Ms. Li with reference to prevailing market conditions.

As at the date hereof, Ms. Li is interested in 1,000,000 Shares, which are the share options granted to her by the Company under the Existing Share Option Scheme. Save as disclosed, Ms. Li does not have any other interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Li (i) does not hold any other positions in the Company or any of its subsidiaries; (ii) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) does not hold any other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date hereof; and (iv) does not have other major appointments or professional qualifications.

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

(A) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity and/or to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

(B) ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

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

(C) WHO MAY JOIN

The Participants of the New Share Option Scheme to whom options may be granted by the Board shall include Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group or any Invested Entity and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group or any Invested Entity who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

(D) LIFE OF THE NEW SHARE OPTION SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the New Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the New Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

(E) SUBSCRIPTION PRICE

The subscription price shall be determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the subscription price shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date of grant, which must be a trading day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on the date of grant.

Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the subscription price is fixed at different prices for different periods during the option period provided that the subscription price for Shares for each of the different period shall not be less than the subscription price determined in the manner set out in this paragraph (e).

(F) ACCEPTANCE OF OFFERS

- (i) 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 and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.
- (ii) Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within twenty-eight (28) days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated in the paragraph (f)(i) above, it shall be deemed to have been irrevocably declined.

(G) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) The total number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue on the adoption date (the “**Scheme Mandate Limit**”) unless the Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit in accordance with the following paragraph (g)(ii) provided that Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit as prescribed in the paragraph (g)(i) above such that the total number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other share option schemes of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit provided that Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including Options outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company or exercised Options) will not be counted for the purpose of calculating the limit as “refreshed”. For the purpose of seeking the approval of Shareholders under this paragraph (g)(ii), a circular containing the information as required under the Listing Rules must be sent to the Shareholders.
- (iii) The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such Shareholders’ approval is sought. For the purpose of seeking the approval of the Shareholders under this paragraph (g)(iii), the Company must send a circular to the Shareholders containing a generic description of the specified proposed Grantees of such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the proposed Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under the Listing Rules.

- (iv) Notwithstanding any provision to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time (the “**Scheme Limit**”). No Options may be granted under the New Share Option Scheme or any other share option schemes of the Company if this will result in the New Share Option Scheme Limit being exceeded.

(H) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

- (i) Subject to the following paragraph (h)(ii), the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the New Share Option Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the total number of Shares in issue for the time being (the “**Individual Limit**”).
- (ii) 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 associates 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 required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the subscription price.

(I) GRANT OF OPTIONS TO CORE CONNECTED PERSON(S)

Any grant of Options to a Director, chief executive of the Company or substantial Shareholder (as such term as defined in the Listing Rules), or any of their respective associates, under the New Share Option Scheme or any other share option schemes of the Company or any of the subsidiaries of the Company 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 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% of the total number of Shares in issue on the date of such grant; and
- (ii) 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\$5,000,000,

Such further grant of Options must be approved by the Shareholders by poll in a general meeting (with all connected persons of the Company abstained from voting in favour at such general meeting) and a circular explaining the proposed grant, (i) disclosing the number and terms of the Options to be granted, (ii) containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Participant) on whether or not to vote in favour of the proposed grant, and (iii) containing information relating to any Directors who are trustees of the scheme or have a direct or indirect interest in the trustees has to be sent to all Shareholders in accordance with the requirements of the Listing Rules.

Shareholders' approval as required under this paragraph (i) is also required for any change in the terms of Options granted to a Participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates.

(J) TIME OF EXERCISE OF OPTION

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 (the "**Option Period**").

(K) RIGHTS BE PERSONAL TO GRANTEE

An Option shall be 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 third party over or in relation to any Option. In the event that the Option is granted to a company wholly-owned by a Participant, such Participant shall not sell, transfer, encumber, charge, mortgage, or create any interest in favour of any third party over or in relation to the share capital of such company wholly-owned by him. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.

(L) RIGHTS ON CEASING EMPLOYMENT OR DIRECTORSHIP

In the event of the Grantee who is an employee of the Company or another member of the Group or any Invested Entity ceasing to be a Participant for any reason other than his or her death or the termination of his or her employment on one or more of the grounds specified in the following paragraph (q)(vii), Option (to the extent which has become exercisable and not already exercised) will be exercisable in whole or in part within the period of the Options that granted to the Grantee and the expiry of the such period will be subject to the Option Period.

In the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in the following paragraph (q)(vii), his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to the extent the Grantee has exercised the Option in whole or in part, but Shares have not been allotted to him or her, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the subscription price for the Shares received by the Company in respect of the purported exercised of such Option.

(M) RIGHTS ON DEATH

In the event that the Grantee ceasing to be a Participant by reason of death (provided that none of the events which would be a ground for termination of his or her employment under the following paragraph (q)(vii) arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of twelve (12) months from the date of death (or such longer period as the Board may determine) to exercise the Option in whole or in part (to the extent which has become exercisable and not already exercised).

(N) RIGHTS ON A GENERAL OR PARTIAL OFFER

In the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer).

(O) RIGHTS ON WINDING-UP

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph (o)) and thereupon, each Grantee (or where permitted under the paragraph (m) above his or her legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than two (2) business days prior to the date of the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

(P) RIGHT ON A COMPROMISE OR SCHEME OF ARRANGEMENT

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such compromise or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court, be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised under this paragraph (p). The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(Q) LAPSE OF OPTION

An Option shall lapse automatically and 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 New Share Option Scheme);
- (ii) the date on which the Grantee commits a breach of paragraph (k) above;
- (iii) the expiry of any of the periods referred to in paragraphs (i) and (m) above;
- (iv) the date on which the offer (or as the case may be, revised offer) referred to in paragraph (n) above closes;
- (v) subject to paragraph (o) above, the date of the commencement of the winding-up of the Company;
- (vi) subject to the proposed compromise or arrangement becomes effective, the expiry of the period referred to in paragraph (p) above;

- (vii) the date on which the Grantee who is an employee of the Company or a Director or another member of the Group or any Invested Entity ceases to be a Participant by reason of the termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty 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 or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity. A resolution of the Board or the board of directors of the relevant subsidiary of the Company or the board of directors of the relevant Invested Entity 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 (q)(vii) shall be conclusive and binding on the Grantee, where appropriate, his or her legal representative(s); or
- (viii) the date on which the Directors shall at their absolute discretion determine that the Grantee (who is not an employee of the Company or a Director or another member of the Group or any Invested Entity) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Company or any relevant subsidiary of the Company or any relevant Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or compromise with his or her creditors generally. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(R) RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and applicable laws of the Cayman Islands for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions to be paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof.

(S) REORGANISATION OF CAPITAL STRUCTURE

- (i) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation issue, rights issue, sub-division 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:

1. the number and/or nominal amount of Shares subject to the Option so far as unexercised; or
2. the subscription price;

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 (s)(i)(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, shall be made in accordance with the supplementary guidance or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value.

(ii) The Company shall engage the auditors or an independent financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under the paragraph (s)(i) above satisfy the requirements set out in paragraphs (s)(i)(a) and (s)(i)(b) above. The capacity of the auditors or independent financial advisor (as the case may be) in this paragraph (s)(ii) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or independent financial advisor (as the case may be) shall be borne by the Company.

**(T) ALTERATION TO THE NEW SHARE OPTION SCHEME AND THE TERMS OF
OPTIONS GRANTED UNDER THE NEW SHARE OPTION SCHEME**

(i) The New Share Option Scheme may be amended or altered in any respect to the extent allowed by the Listing Rules by resolution of the Board except that the following alteration must be approved by a resolution of the Shareholders in general meeting:

1. any changes to the definitions of Participant and Grantee and Option Period in this circular;
2. any changes to the terms and conditions of the New Share Option Scheme to the advantage of Grantees of the Options;
3. any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature;
4. any change to the terms of Options granted; and
5. any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme,

except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that:

- a. the amended terms of the New Share Option Scheme or the Options shall comply with the requirements of Chapter 17 of the Listing Rules; and
- b. no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths (3/4) in nominal value of all Shares then subject to Options granted under the New Share Option Scheme.

Notwithstanding the other provisions of the New Share Option Scheme, the New Share Option Scheme may be amended or altered in any aspect by resolution of the Board without the approval of the Shareholders or the Grantee(s) to the extent such amendment or alteration is required by the Listing Rules and/or any applicable guidelines issued by the Stock Exchange from time to time.

- (ii) The Company must provide to all Grantees all details relating to changes in the terms of the New Share Option Scheme during the life of the New Share Option Scheme immediately upon such changes taking effect.

(U) CANCELLATION OF OPTIONS GRANTED

- (i) Any cancellation of Options granted but not exercised shall require approval of the Board and the agreement of the Participant.
- (ii) Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme.
- (iii) Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph (g).
- (iv) For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

(V) TERMINATION

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the New Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the New Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

NOTICE OF AGM



NOTICE IS HEREBY GIVEN that the annual general meeting of China Uptown Group Company Limited (the “Company”) will be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 29 May 2019 at 11:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the auditor of the Company and its subsidiaries for the year ended 31 December 2018;
2. To re-elect retiring members of the board of directors of the Company and authorise the board of directors of the Company to fix their remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as the Company’s auditor and authorise the board of directors of the Company to fix its remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraph (c) below and in substitution for all previous authorities, 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 and to make or grant offers, agreements, options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company, which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the total number of share allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as hereinafter defined);

 - (ii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to option holders of shares in the Company;

 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

 - (iv) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to above, in the price at which shares of the Company shall be subscribed, and/or in the number of shares of the Company which shall be subscribed, on exercise of relevant rights under such options, rights to subscribe or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities; or

 - (v) a specified authority granted by the shareholders of the Company in general meeting of the Company,

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

NOTICE OF AGM

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry 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 other applicable laws to be held; and
- (iii) the revocation, variation or renewal of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares in the Company on the registers of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited, subject to and in accordance with applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF AGM

(b) the total number of shares of the Company to be repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry 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 other applicable laws to be held; and
- (iii) the revocation, variation or renewal of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the ordinary resolutions nos. 4 and 5 above being passed, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to ordinary resolution no. 4 be and is hereby extended by the addition thereto of the number representing the total number of shares repurchased by the Company under the authority granted pursuant to ordinary resolution no. 5 provided that such number of shares shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing the said resolution.”

7. “**THAT**:

(a) 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, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the rules of the new share option scheme (the “New Share Option Scheme”), a copy of which is produced to the meeting and signed by the chairman of the meeting for the purposes of identification, and any other share option schemes of the Company representing an amount up to 10% of the total number of shares of the Company in issue as at the day on which this resolution is passed, with

NOTICE OF AGM

effect from the close of business of the day on which this resolution is passed, the New Share Option Scheme be approved and adopted and the Directors be and are hereby authorised:

- (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (iii) to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (iv) to make application at the appropriate time or times to The Stock Exchange of Hong Kong Limited and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any shares in the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the New Share Option Scheme, and where any such application has been made prior to the date of passing this resolution, the same be approved, confirmed and ratified; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and

NOTICE OF AGM

- (b) the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 30 November 2009 (the “Existing Share Option Scheme”) be and is hereby terminated with effect from the date on which the New Share Option Scheme shall become unconditional and effective, and shall cease to have any effect except that the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any option granted under the Existing Share Option Scheme prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Existing Share Option Scheme.”

By Order of the Board of
China Uptown Group Company Limited
Fu Lui
Company Secretary

Hong Kong, 25 April 2019

Registered Office:

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

Head Office and Principal Place of Business

in Hong Kong:
Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

NOTICE OF AGM

Notes:

1. In order to attend the annual general meeting of the Company to be held Wednesday, 29 May 2019 (the “AGM”), all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 23 May 2019.
2. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s head office and principle place of business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time for holding the AGM or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the AGM or any adjournment thereof, should he so wish.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
6. As at the date of this notice, the executive Directors are Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung and Mr. Liu Zhongxiang and the independent non-executive Directors are Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng.
7. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the AGM will be postponed. The Company will post an announcement on the website of Company at <http://www.chinauptown.com.hk> and on the HKExnews website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting.