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



JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE
SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
DECLARATION OF FINAL DIVIDEND,
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section "Definitions" of this circular.

A notice convening the Annual General Meeting of the Company to be held at 8/F, Building B, BenQ Plaza, 207 Songhong Road, Changning District, Shanghai on Tuesday, 7 May 2019 at 10:00 a.m., is set out on pages 30 to 36 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

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

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| “Adoption Date” | the date on which the Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders |
| “Annual General Meeting” | the annual general meeting of the Company to be held at 8/F, Building B, BenQ Plaza, 207 Songhong Road, Changning District, Shanghai on Tuesday, 7 May 2019 at 10:00 a.m., or where the context so admits any adjournment thereof |
| “Articles of Association” | the articles of association of the Company, as amended from time to time |
| “Board” | board of Directors |
| “BVI” | British Virgin Islands |
| “Companies Law” | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and any amendments or other statutory modifications thereof |
| “Company” | Jingrui Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 7 March 2013 |
| “Controlling Shareholders” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Eligible Participant(s)” | has the meaning ascribed to it under paragraph (b) of “APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME” |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

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|---------------------------|--|
| “Issue Mandate” | a general mandate proposed to be granted to the Directors to allot, issue and/or deal in Shares of up to 20% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate |
| “Latest Practicable Date” | 25 March 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” | the listing sub-committee of the board of directors of the Stock Exchange |
| “Listing Date” | 31 October 2013, the date on which dealings in the Shares first commenced on the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time |
| “Mr. Chen” | Mr. Chen Xin Ge, an executive Director and a Controlling Shareholder |
| “Mr. Yan” | Mr. Yan Hao, an executive Director and a Controlling Shareholder |
| “PRC” | the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Repurchase Mandate” | a general unconditional mandate proposed to be granted to the Directors to repurchase such number of Shares of up to 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting such mandate |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| “Share Option(s)” | share option(s) to be granted under the Share Option Scheme |

DEFINITIONS

| | |
|-----------------------|---|
| “Share Option Scheme” | the share option scheme of the Company proposed to be adopted by the Shareholders at the Annual General Meeting |
| “Share(s)” | ordinary share(s) of nominal value of US\$0.01 each in the capital of the Company |
| “Shareholder(s)” | the 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 issued by the Securities and Futures Commission of Hong Kong, as amended from time to time |
| “US\$” | United States dollar, the lawful currency of the United States of America |
| “%” | per cent |

LETTER FROM THE BOARD



JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

Executive Directors:

Mr. Yan Hao (Co-chairman and Chief
Executive Officer)

Mr. Chen Xin Ge (Co-chairman)

Mr. Xu Chao Hui (Vice President)

Mr. Xu Hai Feng (Vice President)

Independent non-executive Directors:

Mr. Han Jiong

Mr. Qian Shi Zheng

Dr. Lo Wing Yan William

Registered office:

190 Elgin Avenue

George Town

Grand Cayman KY1-9005

Cayman Islands

*Principal place of business and head office
in the PRC:*

8/F, Building B, BenQ Plaza

No. 207 Songhong Road

Changning District

Shanghai

PRC

Principal place of business in Hong Kong:

Unit 09, 43/F

China Resources Building

26 Harbour Road

Hong Kong

27 March 2019

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
DECLARATION OF FINAL DIVIDEND,
PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information in respect of, among other matters, (a) the granting to the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate; (b) the re-election of retiring Directors; and (c) the declaration of final dividend; and (d) the proposed adoption of the Share Option Scheme.

* For identification purpose only

LETTER FROM THE BOARD

ISSUE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and/or deal with additional Shares of up to 20% of the number of the issued Shares as at the date of passing of such resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the number of the issued Shares was 1,400,194,213 Shares. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to allot, issue and deal with additional Shares of up to 280,038,842 Shares representing 20% of the number of the Shares in issue as at the date of passing the resolution in relation thereto.

In addition, subject to a separate approval of separate ordinary resolutions, the number of the Shares repurchased by the Company under the proposed Repurchase Mandate will also be added to extend the 20% limit of the Issue Mandate provided that such additional number of the Shares shall not exceed 10% of the number of the issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and the Repurchase Mandate.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the number of the issued Shares as at the date of passing of such resolution in relation to the Repurchase Mandate.

An explanatory statement in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement provides information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

In accordance with article 104 of the Articles of Association, Mr. Yan Hao, Mr. Chen Xin Ge and Mr. Han Jiong will retire and being eligible, will offer themselves for re-election as the Directors at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

LETTER FROM THE BOARD

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

The policy and procedures for nomination of Directors are:

- (1) The nomination of new Directors shall be first deliberated by the nomination committee and then considered and approved by the Board;
- (2) When nominating a Director, the nomination committee shall assess whether the nominee has the integrity, skills, experience and diverse perspectives required by the business of the Company, and can devote time and energy to fulfilling the duties and responsibilities;
- (3) When nominating a Director, the nomination committee shall take into account of the contributions the nominee can bring to the Board in terms of culture and education background, professional experience, skills, knowledge, independence, gender and length of service diversity;
- (4) The responsibility of the selection and appointment of Directors shall be taken by all Directors; and
- (5) The summary and the implementation of the nomination procedures and the process and criteria adopted by the nomination committee to select and recommend candidates for directorships shall be disclosed in the corporate governance report of the Company on an annual basis.

RECOMMENDATION OF THE NOMINATION COMMITTEE

The nomination committee of the Company has assessed the independence of the independent non-executive Director, Mr. Han Jiong, based on reviewing his annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that he remains independent.

The nomination committee of the Company has also considered Mr. Han Jiong's extensive experience in legal field, his working profile and other experience and factors as set out in Appendix I to this circular. The nomination committee of the Company is satisfied that Mr. Han has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The Board believed that his re-election as an independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

Accordingly, with the recommendation of the nomination committee of the Company, the Board has proposed that all the above retiring Directors, namely Mr. Yan Hao, Mr. Chen Xin Ge and Mr. Han Jiong stand for re-election as Directors at the Annual General Meeting.

LETTER FROM THE BOARD

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the retiring Directors) is disclosed in the corporate governance report of the annual report of the Company.

FINAL DIVIDEND

Subject to the approval by the Shareholders at the Annual General Meeting, the Board proposed to pay a final dividend of HK\$0.30 per Share for the year ended 31 December 2018 to Shareholders whose names appear on the register of members of the Company on 15 May 2019.

ADOPTION OF SHARE OPTION SCHEME

The Board proposes the adoption of 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 our 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.

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.

LETTER FROM THE BOARD

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 1,400,194,213 Shares in issue. Assuming that no further Share will be allotted, issued, repurchased or cancelled prior to the Annual General Meeting, 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 Annual General Meeting would be 140,019,421 Shares, representing approximately 10% of the total number of Shares in issue.

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.

As at the Latest Practicable Date, no Share Option had been granted under the Share Option Scheme. 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.

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 Unit 09, 43/F, China Resources Building, 26 Harbour Road, Hong Kong, at normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 30 to 36 of this circular is the notice convening the Annual General Meeting to consider and, if appropriate, to approve the ordinary resolutions in relation to, among others, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the declaration of final dividend and the proposed adoption of the Share Option Scheme.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

- (a) For the purpose of determining Shareholders who are entitled to attend and vote at the forthcoming Annual General Meeting, the register of members of the Company will be closed from Saturday, 27 April 2019 to Tuesday, 7 May 2019, both days inclusive. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 April 2019.
- (b) For the purpose of determining Shareholders who qualify for the final dividend, the register of members of the Company will be closed from Saturday, 11 May 2019 to Wednesday, 15 May 2019, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 10 May 2019.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

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

LETTER FROM THE BOARD

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

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 issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board considers that the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the declaration of a final dividend and the proposed adoption of the Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to Appendices I, II and III of this circular.

Yours faithfully
By order of the Board
Jingrui Holdings Limited
Yan Hao Chen Xin Ge
Co-chairmen

The following are the particulars of the Directors who will retire, and being eligible, offer themselves for re-election at the Annual General Meeting pursuant to the Articles of Association.

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, none of the following Director holds any other position within the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Save as disclosed therein, none of the following Director has any relationship with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other information relating to the following Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders in respect of the re-election of the following Directors.

DIRECTORS CANDIDATES:

Executive Directors

Mr. Yan Hao (閔浩), aged 50, is one of the founders and the co-chairman and chief executive officer of the Group. He was appointed as an executive Director on 6 October 2013. Mr. Yan is responsible for the overall strategic planning and business direction and the day to day business and management of the Group. Mr. Yan also serves as the Chairman of our Nomination Committee.

Mr. Yan obtained an EMBA degree from Fudan University (復旦大學) in June 2004. He has more than 20 years of experience in the PRC real estate industry. Mr. Yan co-founded Jingrui Properties (Group) Co., Ltd. (formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Chen Xin Ge, and has since served as the deputy general manager, building our business to its current scale from 1993 to 1999 and the chief executive officer since 1999, being responsible for overseeing our day to day operations, strategic directions and business growth.

Mr. Yan has entered into a service agreement with the Company for a term of three years commencing from the Listing Date. In October 2016, the Company has entered into a renewed service agreement with a further term of three years commencing from 31 October 2016. He is entitled to receive a director's fee of RMB1,445,000 per annum as determined by the Board with reference to the prevailing market conditions and his responsibility in the Company.

As at the Latest Practicable Date, Mr. Yan was interested in 531,594,613 Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Chen Xin Ge (陳新戈), aged 50, is one of the founders and the co-chairman of the Group. He was appointed as an executive Director on 6 October 2013. Mr. Chen is responsible for determining the overall strategic planning and business direction of the Group together with Mr. Yan. Mr. Chen also serves as a member of our Remuneration Committee. Mr. Chen graduated from Capital University of Economics and Business (首都經濟貿易大學) in March 2001. He also completed the EMBA Program at Cheung Kong Graduate School of Business in September 2007 and obtained a diploma of Executive Master of Business Administration. Mr. Chen has more than 20 years of experience in the PRC real estate industry. Mr. Chen co-founded Jingrui Properties (Group) Co., Ltd. (formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Yan, and has since served as the general manager, building our business to its current scale from 1993 to 1999 and the chairman of board of directors since 1999, being responsible, along with Mr. Yan, for the strategic directions and business growth of the Group.

Mr. Chen has entered into a service agreement with the Company for a term of three years commencing from the Listing Date. In October 2016, the Company has entered into a renewed service agreement with a further term of three years commencing from 31 October 2016. Mr. Chen did not receive any director's fee from the Company.

As at the Latest Practicable Date, Mr. Chen was interested in 410,587,918 Shares which are required to be disclosed pursuant to Part XV of the SFO.

Independent Non-executive Director

Mr. Han Jiong (韓炯), aged 50, was appointed as an independent non-executive Director on 6 October 2013. Mr. Han has been appointed as a member of our Audit Committee, the chairman of our Remuneration Committee, a member of our Nomination Committee and a member of our Risk Management Committee and is responsible for supervising and providing independent judgment to the Board, and in particular, as the chairman of the Remuneration Committee, he is responsible for overseeing the policy and structure of the remuneration for the Directors and senior management and making recommendations on employee benefit arrangement. Mr. Han graduated from East China University of Political Science and Law (華東政法大學) in July 1992, and qualified as a lawyer in the PRC in February 1993. He joined Shanghai Jinmao Law Firm (上海金茂律師事務所) in July 1992, and was an associate when he left in December 1998. He was a founding partner of Llinks Law Offices (通力律師事務所) which was established in September 1998, and he is currently a managing partner. Mr. Han was a member of the Seventh and the Eighth CSRC Public Offering Review Committee from January 2005 to April 2007, and was appointed by the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) as a member of the First and the Second Review Committee for the Enterprise Annuity Fund Management Association (企業年金基金管理機構評審委員會) from June 2005 to August 2009. He was a council member of the Shanghai Bar Association (上海市律師協會) from April 2008 to April 2015.

Mr. Han has entered into a letter of appointment with the Company for a term of three years commencing from the Listing Date. In October 2016, the Company has entered into a renewed letter of appointment with a further term of three years commencing from 31 October 2016. He is entitled to receive a director's fee of RMB240,000 per annum as determined by the Board with reference to the prevailing market conditions and his responsibility in the Company.

As at the Latest Practicable Date, Mr. Han has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

NUMBER OF ISSUED SHARES

As at the Latest Practicable Date, the number of the issued Shares was 1,400,194,213 Shares.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that there will be no change to the total number of issued Shares before the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 140,019,421 Shares representing 10% of the number of the issued Shares as at the date of Annual General Meeting during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS OF REPURCHASES

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

FUNDING OF REPURCHASES

Any repurchase of Shares by the Company must be paid out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

The Directors consider that the exercise of the Repurchase Mandate in full will not have a material adverse impact in the working capital or gearing level of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2018). Furthermore, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstance, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

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

No core connected person (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to 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 purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Yan was interested in 531,594,613 Shares, representing approximately 37.97% of the total number of the issued Shares. Among the 531,594,613 Shares, 200,000 Shares were directly held by Mr. Yan and the remaining 531,394,613 Shares were directly held by Beyond Wisdom Limited. As at the Latest Practicable Date, Beyond Wisdom Limited was wholly owned by Yan Trust, which was the trustee of a private trust of which Mr. Yan was the settlor.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Chen was interested in 410,587,918 Shares, representing in aggregate approximately 29.32% of the total number of the issued Shares. Among the 410,587,918 Shares, 782,000 Shares were directly held by Mr. Chen and the remaining 409,805,918 Shares were directly held by Sunny King International Limited. As at the Latest Practicable Date, Sunny King International Limited was wholly owned by New Decent King Investment Limited, which was wholly owned by Cantrust (Far East) Limited, which was the trustee of a private trust of which Mr. Chen was the settlor.

In the event that the Repurchase Mandate is exercised in full, and assuming Mr. Yan's and Mr. Chen's interests in Shares as mentioned above remain unchanged, the interests of Mr. Yan and Mr. Chen in the Company will be increased to approximately 42.18% and 32.58% respectively, of the total number of the issued Shares and such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. Saved as aforesaid, based on information known as at the Latest Practicable Date, the Directors are not aware of any consequence which may arise under the Takeovers Code even if the Repurchase Mandate were exercised in full. Nevertheless, the Directors has no present intention to exercise the Repurchase Mandate to such extent as would trigger any potential consequence under the Takeovers Code and/or result in the number of Shares being held by the public falling below the minimum prescribed percentage pursuant to Rule 8.08 of the Listing Rules, which is currently 25 per cent of the total number of Shares in issue.

SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months immediately preceding the Latest Practicable Date, the Company purchased 5,400,000 Shares at an aggregate purchase price before expenses of HK\$11,314,280 on the Stock Exchange. Details of the purchase of such Shares were as follows:

| Date of Purchase | Number of Shares purchases | Price per Share | | Aggregate purchase price (HK\$) |
|------------------|----------------------------------|-------------------|------------------|--|
| | | Highest (HK\$) | Lowest (HK\$) | |
| 10 October 2018 | 1,000,000 | 2.29 | 2.13 | 2,225,960 |
| 22 October 2018 | 700,000 | 2.25 | 2.12 | 1,546,230 |
| 23 October 2018 | 200,000 | 2.14 | 2.09 | 421,320 |
| 25 October 2018 | 1,000,000 | 2.09 | 1.99 | 2,048,400 |
| 30 October 2018 | 1,000,000 | 2.15 | 2.05 | 2,130,880 |
| 13 November 2018 | 1,000,000 | 1.98 | 1.83 | 1,935,000 |
| 22 November 2018 | 500,000 | 2.04 | 2.00 | 1,006,490 |
| Total | 5,400,000 | | | 11,314,280 |

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

| Month | Highest prices <i>HK\$</i> | Lowest prices <i>HK\$</i> |
|---|----------------------------------|---------------------------------|
| 2018 | | |
| March | 3.45 | 2.46 |
| April | 4.95 | 3.11 |
| May | 5.10 | 3.12 |
| June | 4.35 | 3.08 |
| July | 3.22 | 2.00 |
| August | 3.24 | 2.30 |
| September | 2.72 | 2.15 |
| October | 2.48 | 1.94 |
| November | 2.31 | 1.81 |
| December | 2.64 | 2.06 |
| 2019 | | |
| January | 2.30 | 2.03 |
| February | 2.32 | 2.01 |
| March (up to the Latest Practicable Date) | 2.65 | 2.25 |

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

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 a Share 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:

- (i) any executives or directors (including non-executive directors and independent non-executive directors) of the Group; and
- (ii) any employees of senior management level of the Group.

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

C. ACCEPTANCE OF AN OFFER OF SHARE OPTIONS

A Share Option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the Share Options duly signed by the grantee, together with a remittance or payment in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant a Share 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 and such number is clearly stated in the duplicate offer document constituting acceptance of the Share Option. To the extent that the offer to grant a Share 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), a Share 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 Share 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 Share 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 Share 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 Share 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 Share Options to be granted, the purpose of granting Share Options to the specified Eligible Participants with an explanation as to how the Share 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 Share 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 Share 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. The maximum number of Shares in respect of which Share 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 whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

E. MAXIMUM NUMBER OF SHARE OPTIONS TO ANY ONE INDIVIDUAL

The total number of Shares issued and which may fall to be issued upon exercise of the Share Options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Share 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 Share 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 Share Options to be granted (and Share Options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 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 core connected person) abstaining from voting. The numbers and terms (including the exercise price) of Share 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 Share 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), among others:
 - (1) the Eligible Participant's name, address and occupation;
 - (2) the date on which a Share Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (3) the date upon which an offer for a Share Option must be accepted;
 - (4) the date upon which a Share Option is deemed to be granted and accepted in accordance with paragraph (c);

- (5) the number of Shares in respect of which the Share Option is offered;
- (6) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Share Option;
- (7) the date of the expiry of the Share Option as may be determined by the Board;
- (8) the method of acceptance of the Share Option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and
- (9) other terms and conditions (including, without limitation, any minimum period for which a Share Option must be held before it can be exercised and/or any performance targets which must be achieved before the Share Option can be exercised) relating to the offer of the Share Option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

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 Share 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 SHARE OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR
SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR
RESPECTIVE ASSOCIATES**

Any grant of Share 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 (excluding any independent non-executive Director who is the grantee of the Share Options). If the Board proposes to grant Share 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 Share Options granted and to be granted (including Share 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 Share 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 Share 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 Share Options to be granted to each selected Eligible Participant which must be fixed before the general 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 Share Options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Share 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 SHARE OPTIONS

A grant of Share 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 Share 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, half-year, quarterly or other interim period results (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual or half-year, or quarterly or other interim period results (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where a Share Option is granted to a Director:
 - (1) no Share 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 Share 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

A Share Option and an offer to grant a Share 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 Share 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 Share Options or any part thereof granted to such grantee.

J. TIME OF EXERCISE OF SHARE OPTION AND DURATION OF THE SHARE OPTION SCHEME

A Share Option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the Share Option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which a Share Option may be exercised will be determined by the Board in its absolute discretion, save that no Share Option may be exercised more than 10 years after it has been granted. No Share

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 Adoption Date.

K. PERFORMANCE TARGET

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

L. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If the grantee of a Share 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 Share 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 Share 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 a Share 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 employee 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 Share 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 Code)) and such offer becomes or is declared unconditional during the Share Option period of the relevant Share Option, the grantee of a Share Option shall be entitled to exercise the Share 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 Share 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 Share Options on the same day as it gives notice of the meeting to its Shareholders 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 Share 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 Share 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 Share Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share 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 Share 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 a Share 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 Share 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 Share 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, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number of Shares subject to any Share Options so far as unexercised and/or the subscription price per Share of each outstanding Share 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 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 a Share Option is entitled to subscribe pursuant to the Share Options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any Share 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 SHARE OPTION

A Share 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 Share 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 employee 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 Share Option at any time after the grantee commits a breach of paragraph (i) above or the Share 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 Share Options granted, shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any Share 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 SHARE OPTIONS

Any cancellation of Share Options granted but not exercised must be approved by the grantees of the relevant Share Options in writing. For the avoidance of doubt, such approval is not required in the event any Share 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 Share 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 Share Option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share 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 Share 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 Share 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 Share Option had been granted or agreed to be granted under the Share Option Scheme. Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in Shares (being 140,019,421 Shares in total) which may fall to be issued pursuant to the exercise of the Share Options to be granted under the Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING

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JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Jingrui Holdings Limited (the “**Company**”) will be held at 8/F, Building B, BenQ Plaza, 207 Songhong Road, Changning District, Shanghai on Tuesday, 7 May 2019 at 10:00 a.m., for the purposes of considering and, if thought fit, passing the following resolutions (with or without modifications):

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 December 2018.
2. To declare a final dividend of HK\$0.30 per share for the year ended 31 December 2018.
3. (a) To re-elect the following retiring directors of the Company (the “**Directors**”):
 - (i) Mr. Yan Hao as an executive Director;
 - (ii) Mr. Chen Xin Ge as an executive Director; and
 - (iii) Mr. Han Jiong as an independent non-executive Director.

(b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration for the year ending 31 December 2019.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

5. (A) **“That:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (the “**Shares**”), or options, warrants or similar rights to subscribe for Shares or other securities convertible into Shares and to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion, which would or might require the exercise of such powers subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) or (ii) of this resolution, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (3) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed the aggregate of:

- (a) 20% of the number of the Shares in issue as at the date of passing this resolution 5(A); and
- (b) (if the Board is so authorised by resolution 5(C)) the number of the Shares repurchased by the Company subsequent to the passing of resolution 5(B) (up to a maximum equivalent to 10% of the number of the issued Shares as at the date of passing resolution 5(B)),

and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

- (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

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- (b) “**Rights Issue**” means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of Shares as at that date (subject to such exclusion 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, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised 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 the Code on Share Buy-backs and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the number of the Shares, which may be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of the Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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(iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**That** conditional upon resolutions 5(A) and 5(B) above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution 5(A) above be and is hereby extended by the additional thereto of the number representing the number of the Shares repurchased by the Company under the authority granted pursuant to resolution 5(B) above, provided that such number of the Shares shall not exceed 10% of the number of the Shares in issue as at the date of passing the resolution.”

6. “**That:**

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**”),

- (i) 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 authorised 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 Listing Rules; and

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- (ii) 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.”

By order of the Board
Jingrui Holdings Limited
Yan Hao Chen Xin Ge
Co-chairmen

Hong Kong, 27 March 2019

| | | |
|---------------------------|------------------------------------|-------------------------------|
| <i>Registered office:</i> | <i>Principal place of business</i> | <i>Principal place of</i> |
| 190 Elgin Avenue | <i>and head office in the PRC:</i> | <i>business in Hong Kong:</i> |
| George Town | 8/F, Building B, BenQ Plaza | Unit 09, 43/F |
| Grand Cayman KY1-9005 | No. 207 Songhong Road | China Resources Building |
| Cayman Islands | Changning District | 26 Harbour Road |
| | Shanghai | Hong Kong |
| | PRC | |

Notes:

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The transfer books and register of members of the Company will be closed from Saturday, 27 April 2019 to Tuesday, 7 May 2019, both days inclusive, to determine the entitlement of the shareholders of the Company to attend and vote at the Annual General Meeting, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 April 2019.

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- (v) The transfer books and register of members of the Company will be closed from Saturday, 11 May 2019 to Wednesday, 15 May 2019, to determine the entitlement of the shareholders of the Company to receive final dividend, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 10 May 2019.
- (vi) In respect of ordinary resolution 3 above, Mr. Yan Hao, Mr. Chen Xin Ge and Mr. Han Jiong will retire and be eligible to stand for re-election at the Annual General meeting. Details of the above retiring Directors standing for re-election are set out in Appendix I to the circular dated 27 March 2019 containing this notice.
- (vii) In respect of the ordinary resolution 5(A) above, the Directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
- (viii) In respect of ordinary resolution 5(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares in circumstances which they deem appropriate for the benefits of the shareholders of the Company. The explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the circular dated 27 March 2019 containing this notice.

As at the date of this notice, the Board comprises Yan Hao, Chen Xin Ge, Xu Chao Hui and Xu Hai Feng, as executive Directors; Han Jiong, Qian Shi Zheng and Lo Wing Yan William, as independent non-executive Directors.