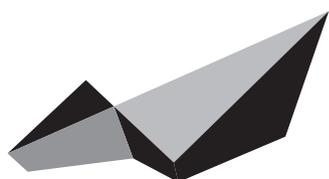

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Newton Resources Ltd, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



新礦資源有限公司
NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1231)

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

A notice convening the Annual General Meeting of the Company to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 12 June 2020 at 11:45 a.m. is set out on pages 35 to 39 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.newton-resources.com).

If you are not able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. at or before 11:45 a.m. on Wednesday, 10 June 2020 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

21 April 2020

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DEFINITIONS

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

“2019 AGM”	the annual general meeting of the Company held on 12 June 2019
“Adoption Date”	the date on which the New Share Option Scheme is to be conditionally adopted by an ordinary resolution of the Shareholders
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 12 June 2020 at 11:45 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM which is set out on pages 35 to 39 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“close associates”	has the meaning ascribed thereto under the Listing Rules
“Company”	Newton Resources Ltd, 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
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the share option scheme of the Company approved and adopted pursuant to the written resolutions passed by the sole Shareholder on 9 April 2010
“Group”	the Company and its subsidiaries collectively

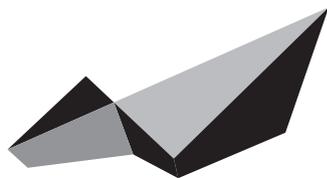
DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	9 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Shareholders at the Annual General Meeting
“Nomination Committee”	the nomination committee of the Company
“Option(s)”	option(s) granted or to be granted under the New Share Option Scheme or other share option scheme of the Company (if any)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Issuance Mandate”	a general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue or deal with the Shares during the period and in the manner as set out in item 6(2) of the notice of the AGM not exceeding 20% of the total number of issued Shares of the Company as at the date of passing such proposed ordinary resolution
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase the Shares during the period and in the manner as set out in item 6(1) of the notice of the AGM not exceeding 10% of the total number of issued Shares of the Company as at the date of passing such proposed ordinary resolution

DEFINITIONS

“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



新礦資源有限公司 NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1231)

Executive Directors:

Mr. Chong Tin Lung, Benny (*Chairman*)
Mr. Luk Yue Kan

Independent Non-executive Directors:

Mr. Tsui King Fai
Mr. Lee Kwan Hung, Eddie
Mr. Shin Yick, Fabian

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

***Principal Place of Business
in Hong Kong:***

Suite 4117
41/F, Jardine House
1 Connaught Place
Central, Hong Kong

21 April 2020

To the Shareholders

Dear Sir/Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information in respect of certain resolutions to be proposed at the AGM for (i) the re-election of the retiring Directors; (ii) the granting of the Share Repurchase Mandate and the Share Issuance Mandate to repurchase Shares and allot, issue and deal with Shares respectively; and (iii) the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme respectively, and to give you notice of the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the articles 106(1) and 106(2) of the Articles, Mr. Chong Tin Lung, Benny, being an executive Director, and Mr. Shin Yick, Fabian (“Mr. Shin”), being an independent non-executive Director, shall retire from their office by rotation at the AGM. All the above retiring Directors, being eligible, shall offer themselves for re-election as the Directors at the AGM.

The Nomination Committee has reviewed the structure, size and composition of the Board, the qualifications, skills, experience, time commitment, contribution and the independence of Mr. Shin as an independent non-executive Director with reference to the nomination principles and criteria set out in the Company’s Board diversity policy and nomination policy for Directors as well as the Company’s corporate strategy.

By following the criteria set out in the nomination policy for Directors of the Company and measurable objectives set out in the Board diversity policy of the Company together with taking into account the contribution and time commitment by Mr. Shin to the Company, the Nomination Committee has assessed and is satisfied with his suitability for continued holding of directorship in the Company and recommend to the Board to propose the re-election of Mr. Shin as an independent non-executive Director by the Shareholders at the AGM.

Mr. Shin possesses appropriate professional qualification in the accounting and financial management, company secretarial and corporate administration and has extensive experience in relation to corporate governance matters of the listed companies in Hong Kong and overseas, it is believed that his directorship in the Company can keep bringing valuable contributions to the Board and its diversity. Mr. Shin has confirmed his independence with reference to the independence guidelines set out in rule 3.13 of the Listing Rules.

On 26 March 2020, the Board considers Mr. Shin is still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. In this regard, the Nomination Committee has proposed the re-appointment of Mr. Shin as an independent non-executive Director to the Board and made recommendations to the Shareholders for the re-election of Mr. Shin at the AGM.

As at the Latest Practicable Date, Mr. Shin is holding seven listed company directorships (including independent non-executive directors). He is not involved in the day-to-day operations and management of the businesses in all such positions. Mr. Shin has annually disclosed to the Company the number and nature of offices held in public companies and other significant commitments with time involved. As a competent professional, he is good at time management and has sound knowledge and skills to effectively handle those positions. The Board considers that Mr. Shin is able to devote sufficient time to his duties as a member of the Board.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

At the 2019 AGM, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and issue new Shares respectively. Such mandates, to the extent not used by the date of AGM, will lapse at the conclusion of the AGM. In order to give the Directors the flexibility and discretion to exercise the powers of the Company to repurchase Shares and to issue new Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve:

- (a) the granting of the proposed Share Repurchase Mandate to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of passing the proposed ordinary resolution contained in item 6(1) of the notice of the AGM as set out on pages 35 to 39 of this circular, being a maximum of 400,000,000 Shares on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date up to the date of the AGM;
- (b) the granting of the proposed Share Issuance Mandate to the Directors to exercise the power of the Company to allot, issue or deal with new Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing the proposed ordinary resolution contained in item 6(2) of the notice of the AGM as set out on pages 35 to 39 of this circular, being a maximum of 800,000,000 Shares on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date up to the date of the AGM; and
- (c) the extension of the Share Issuance Mandate such that the number of the Shares repurchased by the Company pursuant to the Share Repurchase Mandate as mentioned in item 6(1) of the notice of the AGM will also be added to the Share Issuance Mandate as mentioned in item 6(2) of the notice of the AGM.

With reference to the Share Repurchase Mandate and the Share Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

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

Termination of Existing Share Option Scheme

The Existing Share Option Scheme was adopted pursuant to the written resolutions passed by the sole Shareholder on 9 April 2010 which will expire on 3 July 2021. The Existing Share Option Scheme is the only share option scheme adopted by the Company as at the Latest Practicable Date. No options have been granted under the Existing Share Option Scheme as at the Latest Practicable Date. The Company has no intention to grant any options under the Existing Share Option Scheme from the Latest Practicable Date to the date of the AGM.

Pursuant to the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting to terminate the Existing Share Option Scheme. Upon the passing of the ordinary resolution, no additional options will be granted under the Existing Share Option Scheme but the provisions of the Existing Share Option Scheme shall remain in full force and effect in respect of the options granted thereunder prior to such termination and such options shall continue to be valid and exercisable.

The Existing Share Option Scheme was adopted back in 2010. The Board considers that the New Share Option Scheme, which is in compliance with the current Chapter 17 of the Listing Rules, will enable the Company to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group. Please refer to the sub-section headed “Adoption of New Share Option Scheme” below for further details. In addition, for the ease of administration, the Board also considers it unnecessary to keep at the same time two share option schemes that serve similar purposes and are collectively and individually subject to the same limit under the Listing Rules. Therefore, at the AGM, an ordinary resolution will be proposed to the Shareholders to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme.

Adoption of New Share Option Scheme

Given that the Existing Share Option Scheme is due to expire on 3 July 2021, the Board proposes to adopt the New Share Option Scheme to enable the Company to continue to grant Options to the specified eligible participants to motivate them to contribute to the development of the Group as and when the Board sees fit, based on its assessment of the potential grantee’s contribution to the development and growth of the Group with reference to the then prevailing circumstances (including the state of business development of the Group and the existing market conditions). An ordinary resolution will be proposed at the AGM for approving the adoption of the New Share Option Scheme with effect from the close of business of the day on which such resolution is passed by the Shareholders. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the New Share Option Scheme will be available for inspection (i) at the Company’s principal place of business in Hong Kong at Suite 4117, 41/F, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM; and (ii) at the venue of the AGM on the date of the AGM.

LETTER FROM THE BOARD

The purpose of the New Share Option Scheme is to enable the Company to grant Options to eligible participants as incentives or rewards for their contribution to the Group. Under the New Share Option Scheme, the Board may offer to grant Option(s) to subscribe for such number of Shares to any eligible participant as the Board may from time to time in its discretion determine on a case by case basis. Under the Existing Share Option Scheme, the Group has the possibility of offering Options to its staff or business partners who or which have made valuable contribution to the development of the Group. Hence, the New Share Option Scheme contains rules that are largely comparable to those in the Existing Share Option Scheme to make sure that the Group will continue to enjoy the benefits of an effective share option scheme. On top of that, certain modifications have been made with a view to better achieving the intended purpose as described above. Specifically and most importantly, the scope of the potential grantees has been augmented, such that a wider spectrum of individuals and entities that may have a part to play in the development and growth of the Group are covered and set forth separately under the New Share Option Scheme (as specified in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme – New Share Option Scheme – (b) Who may join” in this circular). In addition to employees, secondees, consultants, agents, representatives, advisors, customers, contractors, business partners/allies/alliances, joint venture partners and suppliers that are qualifying grantees under the Existing Share Option Scheme, the definition of “Eligible Participants” under the New Share Option Scheme also embraces any person or entity that provides design, research, development or other technological support. Besides, the “Eligible Participants” under the New Share Option Scheme include not only those individuals and entities that have an employment or business relationship with the Group or its affiliates, but also those who or which are related to any “Invested Entity”, being any entity in which the Group holds an equity interest. “Invested Entities” include, among others, joint ventures that have been established or are to be formed from time to time, which may possibly have a material contribution to the development of the Group from the financial, operational and/or other perspectives in the long run. As at the Latest Practicable Date, there was one “Invested Entity” named Inner Mongolia Nogoonshil Eco-Management Co., Ltd. (內蒙古諾根希里生態環境治理有限責任公司), which is a joint venture in which the Group held 15% of the equity interest and whose business scope includes principally provision of environmental restoration and greening services and related research, design, operation and technical advisory services. Given the broadened coverage and comprehensive terms of the New Share Option Scheme, the Board is of the view that with the adoption of the New Share Option Scheme, the Group will be well-placed to incentivise those who or which have been central to the business development of the Group to make further contribution on a continuing basis with greater flexibility.

LETTER FROM THE BOARD

In particular, when assessing the eligibility of suppliers, customers, consultants, advisors and other group or classes of participants who have contributed or may contribute under any business arrangement to the development and growth of the Group, the Board will take into account a series of factors including, among others, the scale of their business dealings with the Group (in terms of sales or purchases attributable to them) (where applicable), the length of business relationships between them and the Group, the positive impacts they have brought on the Group's business development, the future plans in relation to further business collaboration and generally the significance to the Group of building long-term business relationships with them. For example, when determining whether Options should be granted to particular suppliers of the Group in the Resources Business, much weight will be attached to their ability to source commodities of high quality, stability of supply, and knowledge and business connections in the commodity industry. On the downstream side, the Board may consider rewarding those customers which have shown a high degree of loyalty and made substantial contribution to the Group's revenue over a long period of time through the grant of Options. While the Board has not identified any specific grantee and does not have any immediate plan to grant Options at present, it is envisaged that the grant of Options to the "Eligible Participants" to be made as and when appropriate under the New Share Option Scheme will facilitate the development and growth of the Group most notably in the following ways: (i) enabling the Group to secure stable supply of iron ore products or other commodities of a high quality at competitive prices, which will in turn result in higher profit margins of the Group; (ii) encouraging customers to make repeat orders and timely payments and build long-term business relationships with the Group; and (iii) rewarding consultants and advisors which have served as gatekeepers ensuring compliance with the applicable rules and regulations in the Group's operations and safeguarding the interests of the Group as a whole.

The Company believes that the authority given to the Board under the New Share Option Scheme to select the appropriate participants and to specify the terms and conditions in respect of any Options that may be granted, including the minimum holding period, performance targets and subscription price for such Options, will serve to protect the value of the Company as well as achieve the purposes of retaining and motivating the participants to contribute to the development and growth of the Group for the benefit of the Shareholders. In the light of the imminent expiration of the Existing Share Option Scheme, by adopting the New Share Option Scheme, the Group can assure that it will continue to have an effective mechanism in place for achieving the above objectives for another 10-year period. Accordingly, the Directors consider that it is in the interest of the Company to adopt the New Share Option Scheme.

The New Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any). With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were no outstanding options, warrants or convertible securities which entitle the holders to subscribe for Shares.

LETTER FROM THE BOARD

Taking into account that 4,000,000,000 Shares were in issue as at the Latest Practicable Date and assuming that there would be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Adoption Date, a total of 400,000,000 Shares will be issuable upon exercise of Options that might be granted under the New Share Option Scheme, if adopted, and any other share option schemes of the Company, representing 10% of the total number of Shares that will be in issue as at the Adoption Date.

Subject to the adoption of the New Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to refresh the 10% limit, provided, inter alia, that the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the number of Shares in issue from time to time.

Value of the Options

The Directors consider it inappropriate to disclose the value of Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date prior to the approval of the New Share Option Scheme. Any such valuation will have to be made on the basis of certain pricing model or other methodology, which depends on various assumptions, including exercise price, exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (A) the passing of an ordinary resolution to approve and adopt the New Share Option Scheme by the Shareholders in the AGM; and
- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

Application for listing

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

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 35 to 39 of this circular.

Pursuant to the Listing Rules and the Articles, any vote of the Shareholders at a general meeting must, subject to certain exceptions, be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be published by the Company after the AGM in the manner prescribed under rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.newton-resources.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM (i.e. at or before 11:45 a.m. on Wednesday, 10 June 2020 (Hong Kong time)) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish and, in such event, your form of proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider that the proposals for the re-election of retiring Directors, the granting of the Share Repurchase Mandate and Share Issuance Mandate to repurchase Shares and to issue new Shares, the extension of the Share Issuance Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders is required to abstain from voting on the resolutions to be proposed at the AGM.

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Newton Resources Ltd
Chong Tin Lung, Benny
Chairman and Executive Director

The following are the details of the retiring Directors who will retire and, being eligible, offer themselves for re-election at the AGM:

Mr. Chong Tin Lung, Benny, aged 47, was appointed as an executive Director, the chairman of the Board and the investment committee and a member of each of the nomination committee and the remuneration committee of the Company with effect from 9 April 2018. He is also a director of subsidiaries of the Company.

Mr. Chong is currently an executive director, the executive chairman and the chief executive officer of Auto Italia Holdings Limited (stock code: 720).

Mr. Chong is the founder of VMS Group and has served as its chairman since its establishment in 2006. He is also a director of VMS Investment Group Limited, which is a Substantial Shareholder of the Company. Mr. Chong has accumulated over 20 years of experience in the financial and investment industry. VMS Group is principally engaged in proprietary investments, private equity, asset management, securities brokerage and corporate finance advisory services.

Mr. Chong is a Chartered Financial Analyst. He obtained a Bachelor of Commerce from the University of Toronto in 1994 and a Master of Science in Investment Management from the Hong Kong University of Science and Technology in 2000.

Mr. Chong is the son of Ms. Mak Siu Hang, Viola, who is a Substantial Shareholder of the Company.

Mr. Chong was reprimanded by the Securities and Futures Commission of Hong Kong for misconduct in 2003, as an ex-securities dealer's representative, among other things, for giving an impression to a person that he would help that person to manipulate the shares of a company listed on the Stock Exchange. No prosecution has been brought against Mr. Chong in this incident. The above incident has been drawn to the attention of the Board. Having considered that (i) Mr. Chong has extensive experience in the financial sector through his position in the VMS Group which will enable him to make valuable contribution to the Group's future strategic development; (ii) the above incident occurred over 17 years ago and no further action has been taken against Mr. Chong other than the above incident; and (iii) Mr. Chong is able to demonstrate a standard of competence commensurate with his position as an executive Director and the chairman of the Board given that he has founded and built up the VMS Group, the Board is satisfied that Mr. Chong has demonstrated the requisite character, experience and integrity to take up the positions of an executive Director and the chairman of the Board.

Save as disclosed above, Mr. Chong did not hold any position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

Mr. Chong entered into a service agreement with the Company on 27 March 2018 for a fixed term of three years commencing from 9 April 2018, subject to retirement by rotation and re-election at annual general meetings pursuant to the Articles, and subject to termination thereof by service of not less than three months' notice by either party. Mr. Chong is entitled to a remuneration of HK\$160,000 per month and a discretionary bonus in respect of his service to the Company as an executive Director and the chairman of the Board pursuant to his service agreement. Save for the above remuneration and discretionary bonus, he is not expected to receive any other remuneration for holding his office as an executive Director. Mr. Chong's annual emoluments as an executive Director and the chairman of the Board was determined by the Board based on the recommendation from the remuneration committee of the Company with reference to the Company's performance, his duties and responsibilities with the Company, and the prevailing market conditions. For the financial year ended 31 December 2019, his emoluments comprised salaries of approximately HK\$1,920,000.

As at the Latest Practicable Date, Mr. Chong does not have any interests in Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chong does not have any relationship with any other Director, senior management, Substantial Shareholder or Controlling Shareholder of the Company.

Save as disclosed above, there is no information in relation to the proposed re-election of Mr. Chong that is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules and there is no other matter in relation to Mr. Chong that needs to be brought to the attention of the Shareholders.

Mr. Shin Yick, Fabian, aged 51, was appointed as an independent non-executive Director on 14 August 2015 and is a member of each of the audit committee, the remuneration committee and the nomination committee of the Company.

Mr. Shin currently holds positions in the following listed companies:

Name of Company	Place of listing	Title
Pak Tak International Limited (stock code: 2668)	Main Board	Non-executive director
China Automobile New Retail (Holdings) Limited (stock code: 526) (formerly known as Lisi Group (Holdings) Limited)	Main Board	Independent non-executive director
China Tianrui Automotive Interiors Co., Ltd (stock code: 6162)	Main Board	Independent non-executive director
Zhengye International Holdings Company Limited (stock code: 3363)	Main Board	Independent non-executive director
BIO-key International, Inc. (NASDAQ: BKYI)	Nasdaq stock market of the United States	Director
Olympic Circuit Technology Co., Ltd (stock code: 603920)	Shanghai Stock Exchange	Independent director

Mr. Shin was a senior consultant of a China-based securities company from June 2018 to January 2019, the chief executive officer of a private corporate finance company from August 2015 to May 2018 and the deputy chief executive officer of CMB International Capital Limited from February 2010 to July 2015. Mr. Shin has over 29 years of experience in investment banking and financial management. Prior to joining CMB International Capital Limited, he worked in several investment banks in Hong Kong.

Mr. Shin was an independent non-executive director of Huabang Financial Holdings Limited (stock code: 3638) and China Shun Ke Long Holdings Limited (stock code: 974), up to his resignation on 2 October 2018 and 31 October 2018, respectively.

Mr. Shin graduated from the University of Birmingham in England with a Bachelor's degree in commerce. After graduation, he worked in the audit department of Deloitte Touche Tohmatsu. He had also worked in a listed company in Hong Kong as group financial controller. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Institute of Chartered Secretaries.

Save as disclosed above, Mr. Shin did not hold any position with the Company or other members of the Group, any directorship in other publicly listed companies in the three years preceding the Latest Practicable Date, or any other major appointment or professional qualification.

Mr. Shin entered into a letter of appointment with the Company on 18 May 2018 for a fixed term of three years commencing from 14 August 2018, subject to retirement by rotation and re-election at annual general meetings pursuant to the Articles, and subject to termination thereof by service of not less than three months' notice by either party. In respect of his service to the Company as an independent non-executive Director, Mr. Shin is entitled to a Director's fee of HK\$264,000 per annum pursuant to his letter of appointment. Save for the Director's fee, he is not expected to receive any other remuneration for holding his office as an independent non-executive Director. Mr. Shin's annual emoluments as an independent non-executive Director was determined by the Board based on the recommendation from the remuneration committee of the Company with reference to the Company's performance, his duties and responsibilities with the Company, and the prevailing market conditions. For the financial year ended 31 December 2019, his emoluments comprised a Director's fee of HK\$264,000.

As at the Latest Practicable Date, Mr. Shin does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Shin does not have any relationship with any other Directors, senior management, Substantial Shareholder or Controlling Shareholder of the Company.

Save as disclosed above, there is no information in relation to the proposed re-election of Mr. Shin that is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules and there is no other matter in relation to Mr. Shin that needs to be brought to the attention of the Shareholders.

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

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 4,000,000,000 Shares.

Subject to the passing of the ordinary resolution granting the proposed Share Repurchase Mandate as set out in item 6(1) of the notice of the AGM and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date up to the date of the AGM, the Directors would be authorised to exercise the power of the Company under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, up to a maximum of 400,000,000 Shares, representing 10% of the total number of issued Shares of the Company as at the date of the AGM.

2. REASONS FOR REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases of Shares may, depending on the market conditions and funding arrangements at the relevant time, result in 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 a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASE

Repurchases of Shares pursuant to the proposed Share Repurchase Mandate would be financed out of funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Repurchases will be funded from the Company's available cash flow or working capital facilities.

4. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the financial position disclosed in the latest audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent and in circumstances that would have a material adverse impact on the working capital or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

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

Month	Highest Price HK\$	Lowest Price HK\$
2019		
April	0.96	0.79
May	0.95	0.93
June	0.93	0.93
July	0.97	0.93
August	0.98	0.80
September	0.86	0.55
October	0.90	0.50
November	0.84	0.61
December	0.97	0.55
2020		
January	0.96	0.74
February	0.71	0.61
March	0.61	0.59
April (up to the Latest Practicable Date)	0.79	0.60

6. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, if the Share Repurchase Mandate is exercised in full and assuming that (i) there would not be any changes in the issued share capital of the Company prior to such repurchase of Shares; and (ii) each of the Shareholders below would not dispose of or acquire any Shares prior to such repurchase, the shareholding percentage of the Shareholders, who, so far as is known to the Directors, before such repurchase had and/or would after such repurchase have an interest in 10% or more of the total number of issued Shares of the Company would be as follows:

Name of Shareholder	Number of Shares held	Percentage of shareholdings before exercise of Share Repurchase Mandate	Percentage of shareholding if Share Repurchase Mandate is exercised in full
Mak Siu Hang, Viola ^{(1) & (2)}	1,149,744,000	28.74%	31.94%
VMS Investment Group Limited ("VMSIG") ^{(1) & (2)}	1,149,744,000	28.74%	31.94%
Fast Fortune Holdings Limited ("Fast Fortune") ^{(1) & (2)}	360,000,000	9.00%	10.00%
Chu Yuet Wah ⁽³⁾	500,000,000	12.50%	13.89%
Best Forth Limited ⁽³⁾	500,000,000	12.50%	13.89%
Ample Cheer Limited ⁽³⁾	500,000,000	12.50%	13.89%
Kingston Finance Limited ("Kingston") ⁽³⁾	500,000,000	12.50%	13.89%
Shougang Group Co., Ltd. ⁽⁴⁾	1,098,570,000	27.46%	30.52%
Shougang Holding (Hong Kong) Limited ("Shougang Hong Kong") ⁽⁴⁾	1,098,570,000	27.46%	30.52%
Lord Fortune Enterprises Limited ("Lord Fortune") ⁽⁴⁾	370,000,000	9.25%	10.28%
Plus All Holdings Limited ("Plus All") ⁽⁴⁾	728,570,000	18.21%	20.24%

Name of Shareholder	Number of Shares held	Percentage of shareholdings before exercise of Share Repurchase Mandate	Percentage of shareholding if Share Repurchase Mandate is exercised in full
Cheng Yu Tung Family (Holdings) Limited ⁽⁵⁾	620,000,000	15.50%	17.22%
Cheng Yu Tung Family (Holdings II) Limited ⁽⁶⁾	620,000,000	15.50%	17.22%
Chow Tai Fook Capital Limited (“CTF Capital”) ⁽⁷⁾	620,000,000	15.50%	17.22%
Chow Tai Fook (Holding) Limited (“CTF Holding”) ⁽⁸⁾	620,000,000	15.50%	17.22%
Chow Tai Fook Enterprises Limited (“CTF Enterprises”) ⁽⁹⁾	620,000,000	15.50%	17.22%
New World Development Company Limited (“NWD”) ⁽¹⁰⁾	620,000,000	15.50%	17.22%
NWS Holdings Limited (“NWS”) ⁽¹¹⁾	620,000,000	15.50%	17.22%
NWS Resources Limited (“NWS Resources”) ⁽¹¹⁾	620,000,000	15.50%	17.22%
NWS Mining Limited (“NWS Mining”) ⁽¹¹⁾	620,000,000	15.50%	17.22%
Modern Global Holdings Limited (“Modern Global”) ⁽¹¹⁾	620,000,000	15.50%	17.22%
Perfect Move Limited (“Perfect Move”) ⁽¹¹⁾	620,000,000	15.50%	17.22%
Faithful Boom Investments Limited (“Faithful Boom”) ⁽¹¹⁾	620,000,000	15.50%	17.22%

Notes:

- (1) Fast Fortune and VMSIG held 360,000,000 Shares and 789,744,000 Shares as beneficial owners, respectively. Ms. Mak Siu Hang, Viola held a 100% direct interest in VMSIG. Fast Fortune was a wholly-owned subsidiary of VMSIG. Therefore, Ms. Mak Siu Hang, Viola was deemed to be interested in all the Shares held by each of VMSIG and Fast Fortune, and VMSIG was deemed to be interested in all the Shares held by Fast Fortune.
- (2) Fast Fortune and VMSIG pledged 100,000,000 Shares and 400,000,000 Shares beneficially owned by them respectively in favour of Kingston to secure a loan granted to the Company.
- (3) Security interest in 500,000,000 Shares was held by Kingston, which was wholly-owned by Ample Cheer Limited, which was in turn owned as to 20% by Insight Glory Limited and owned as to 80% by Best Forth Limited, both of which were wholly-owned by Ms. Chu Yuet Wah. Therefore, each of Ms. Chu Yuet Wah, Best Forth Limited and Ample Cheer Limited was deemed to be interested in all the security interest held by Kingston.
- (4) Shougang Group Co., Ltd. held a 100% direct interest in Shougang Hong Kong. Lord Fortune and Plus All were wholly-owned subsidiaries of Shougang Hong Kong. Therefore, Shougang Group Co., Ltd. and Shougang Hong Kong were both deemed to be interested in all the Shares held by Lord Fortune and Plus All.
- (5) Cheng Yu Tung Family (Holdings) Limited held approximately 48.98% direct interest in CTF Capital and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Capital.

- (6) Cheng Yu Tung Family (Holdings II) Limited held approximately 46.65% direct interest in CTF Capital and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Capital.
- (7) CTF Capital held approximately 81.03% direct interest in CTF Holding and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Holding.
- (8) CTF Holding held 100% direct interest in CTF Enterprises and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF Enterprises.
- (9) CTF Enterprises held more than one-third of the issued shares of NWD and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by NWD.
- (10) NWD held more than 60% direct interest in NWS and was accordingly deemed to have an interest in the Shares interested by or deemed to be interested by NWS.
- (11) NWS held a 100% direct interest in NWS Resources, which held a 100% direct interest in NWS Mining. NWS Mining held a 100% interest in Modern Global, which held a 100% direct interest in Perfect Move. Faithful Boom was a wholly-owned subsidiary of Perfect Move. Therefore, NWS, NWS Resources, NWS Mining, Modern Global and Perfect Move were all deemed to be interested in all the Shares held by Faithful Boom.

In the event that the Share Repurchase Mandate is exercised in full and assuming that no Shares are issued or repurchased between the Latest Practicable Date and the date of repurchase and no Shares are disposed of or acquired by these Shareholders as aforesaid, the shareholding of these Shareholders in the Company would be increased to approximately the respective percentage as shown in the last column of the table above. Such increases will give rise to an obligation by Ms. Mak Siu Hang, Viola, VMSIG, Shougang Group Co., Ltd. and Shougang Hong Kong to make a mandatory offer for all the issued Shares under rules 26 and 32 of the Takeovers Code. The Directors will not exercise the Share Repurchase Mandate to such an extent that would give rise to such obligation, or reduce the amount of Shares held by the public to less than 25% of the total number of issued Shares of the Company.

7. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months immediately prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

8. UNDERTAKING OF THE DIRECTORS

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the memorandum and articles of association of the Company.

This appendix summarises the principal terms of the New Share Option Scheme and does not form, nor is intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.

NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the AGM.

(a) Purpose of the scheme

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the eligible participants as incentives or rewards for their contribution to the Group. The Directors consider the New Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

(b) Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants (“Eligible Participants”), to take up Options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“Invested Entity”) in which the Group holds an equity interest (“Eligible Employee”);
- (bb) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of any member of the Group or any Invested Entity;

- (ee) any person or entity that provides design, research, development or other technological support to any member of the Group or any Invested Entity;
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (gg) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- (hh) any person seconded or nominated by the Group to represent the Group's interest in any of the Invested Entity or any other company or organisation; and
- (ii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

and, for the purposes of the New Share Option Scheme, the Options may be granted to any company wholly-owned by one or more persons belonging to any of the Eligible Participants. For avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

The eligibility of any of the Eligible Participants to the grant of any Option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

(c) Maximum number of Shares

- (aa) The maximum number of Shares to be issued upon the exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the Shares in issue from time to time.
- (bb) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the date of approval of the New Share Option Scheme ("General Scheme Limit").

- (cc) Subject to (aa) above but without prejudice to (dd) below, the Company may issue a circular to its Shareholders and seek approval of its Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Group) previously granted under the New Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under rule 17.02(2)(d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a generic description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose, such other information required under rule 17.02(2)(d) of the Listing Rules and the disclaimer required under rule 17.02(4) of the Listing Rules.
- (ee) If the Company conducts a share consolidation or subdivision after the 10% limit described in (bb) or (cc) above has been approved in general meeting, 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 Group under such a 10% limit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same.

(d) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding Options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue for the time being (“Individual Limit”). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to separate Shareholders’ approval in general meeting of the Company with such participant and his close associates (or his associates if the participant is a connected person of the Company) abstaining from voting. The number and terms (including the exercise price) of Options to be granted to such participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to rule 17.03(9) of the Listing Rules.

(e) Grant of Options to connected persons

Any grant of Options under the New Share Option Scheme to a Director, chief executive or Substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors of the Company (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options).

Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company 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 Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders in general meeting.

The Company must send a circular to the Shareholders. The proposed grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of Options granted to a Substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates must be approved by the Shareholders in general meeting.

(f) Time of acceptance and exercise of Option

An Option may be accepted by a participant within 21 days from the date of the offer of grant of the Option.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date on which the offer for the grant of Option is accepted but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of Options to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised.

(g) Performance target

Unless the Directors otherwise determined and stated in the offer of the grant of Options to a grantee, a grantee is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be vested in, or exercised by, the grantee.

(h) Subscription for Shares and consideration for the Option

The subscription price for Shares under the New Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option and shall be received by the Company within such time as may be specified in the offer of grant of the Option, which shall not be later than 21 days from the offer date.

(i) Ranking of Shares

- (aa) Shares allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (“Exercise Date”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.
- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, reclassification or reduction of the share capital of the Company from time to time.

(j) Restrictions on the time of grant of Options

No offer for grant of Options shall be made after inside information has come to the knowledge of the Company until the Company has announced the information. In particular, no offer for the grant of Options may be made during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

The Directors may not make any offer to grant any Option to a participant during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(k) Period of the New Share Option Scheme

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is adopted.

(l) Rights on ceasing employment

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health, disability or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in paragraphs (n) or (q) below before the vesting and/or exercising his Option in full, the Option (to the extent not already vested) will lapse on the date of cessation and, in respect of Option already vested but not exercised, the grantee may exercise the Option in whole or in part within three months following the date of such cessation or termination (or such shorter period as the Directors may determine), and for this purpose, the date of cessation or termination will be taken to be the last day on which the grantee was actually at work with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not.

(m) Rights on death, ill-health, disability or retirement

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health, disability or retirement in accordance with his contract of employment before the vesting and/or exercising the Option in full, then unless the Directors otherwise determine, the Option (to the extent not already vested) shall deem to be vested on the day immediately prior to his death or, as the case may be, on the last day on which the grantee was at work with the Group or the Invested Entity (whether salary is paid in lieu of notice or not), and his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months (24 months in the case of death of the grantee) following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the relevant Invested Entity whether salary is paid in lieu of notice or not (or such shorter period as the Directors may determine).

If the grantee is an individual who is not an Eligible Employee, and in the event of his ceasing to be an Eligible Participant by reason of his death, illness or disability in accordance with any contract entered into between the grantee or his associate on one part and any member of the Group or any Invested Entity on the other part before the vesting and/or exercising the Option in full, then unless the Directors otherwise determine, the Option (to the extent not already vested) shall deem to be vested on the day immediately prior to his death or, as the case may be, on the date on which the grantee ceases to be an Eligible Participant, and his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 24 months following the date of his death or (as the case may be) 12 months following the date of such cessation (or such shorter period as the Directors may determine).

(n) Right on dismissal

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of misconduct or breach his contract of employment, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the relevant Invested Entity into disrepute), his Option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(o) Rights on termination of contract

If the grantee is not an Eligible Employee and in the event of his ceasing to be an Eligible Participant for any reason other than his death, ill-health or disability in accordance with any contract entered into between the grantee or his associate on one part and any member of the Group or any Invested Entity on the other part, and not on one or more of the grounds specified in paragraphs (p) or (q) before the vesting and/or exercising the Option in full, the Option (to the extent not already vested) shall lapse on the date of such cessation and, in respect of Option already vested but not exercised, the grantee may exercise the Option in whole or in part within three months following the date of such cessation or termination (or such shorter period as the Directors may determine).

(p) Rights on breach of contract

In respect of a grantee other than an Eligible Employee, if the Directors shall at their absolute discretion determine that (aa) (1) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and any member of the Group or any Invested Entity on the other part; or (2) 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 composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or any Invested Entity or by any other reason whatsoever; and (bb) the Option granted to the grantee under the New Share Option Scheme shall lapse as a result of any event specified in sub-paragraphs (1), (2) and (3) above, his Option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(q) Rights on ceasing to be a subsidiary or Invested Entity

If a grantee ceases to be an Eligible Participant as a result of any subsidiary of the Company or Invested Entity ceasing to be a subsidiary of the Company or Invested Entity, his Option (to the extent not already vested and/or exercised) will lapse automatically and will not in any event be exercisable on or after the date on which the grantee ceases to be an Eligible Participant.

(r) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share buy-back 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 or such scheme of arrangement is formally proposed to the Shareholders, the Option (to the extent not already vested) shall forthwith vest, and a grantee shall be entitled to exercise his 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 Option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, the Option (to the extent not already exercised) will lapse automatically on (aa) the date on which such offer (or, as the case may be, revised offer) closes or (bb) the relevant record date for entitlements under the scheme of arrangement, as the case may be.

(s) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(t) Grantee being a company wholly-owned by Eligible Participants

If the grantee is a company wholly-owned by one or more Eligible Participants:

- (i) paragraphs (l), (m), (n), (o), (p) and (q) shall apply to the grantee and to the Options granted to such grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (l), (m), (n), (o), (p) and (q) shall occur with respect to the relevant eligible participant; and
- (ii) the Options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly-owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(u) Adjustments to the subscription price

In the event of a capitalisation of profits or reserves, rights issue, consolidation or subdivision of Shares or reduction of the share capital of the Company while an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to the Company as fair and reasonable will be made to (1) the number of Shares subject to the New Share Option Scheme or any Option granted (insofar as it is/they are unexercised); and/or (2) the subscription price of the Option granted (insofar as it is/they are unexercised), provided that (aa) any such adjustment shall give a grantee the same proportion of the issued share capital to which he would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such such adjustment; (bb) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (cc) the issue of Shares or other securities of the Company as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (dd) any such adjustment must be made in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(v) Cancellation of Options

Save for any breach of the requirement under paragraph (x) below which shall entitle the Company to cancel the Option granted to the relevant grantee to the extent not already exercised and subject to Chapter 17 of the Listing Rules, any options granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Directors.

When the Company cancels any Option granted to a grantee but not exercised and issues new Option(s) to the same grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (c)(cc) and (c)(dd) above.

(w) Termination of the New Share Option Scheme

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

(x) Rights are personal to the grantee

An Option granted under the New Share Option Scheme is personal to the grantee and shall not be transferable or assignable.

(y) Lapse of Option

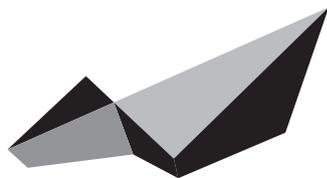
An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraphs (l), (n), (o), (p), (q), (r), (s) and (t);
- (cc) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (x) above by the grantee.

(z) Others

- (aa) The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, such number of Shares to be issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The terms and conditions of the New Share Option Scheme relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees of the Options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (dd) The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of the Listing Rules.
- (ee) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



新礦資源有限公司
NEWTON RESOURCES LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1231)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Newton Resources Ltd (the “Company”) will be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 12 June 2020 at 11:45 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and approve the audited consolidated financial statements of the Company and the reports of the directors and independent auditor for the year ended 31 December 2019.
2. To re-elect Mr. Chong Tin Lung, Benny as an executive director of the Company.
3. To re-elect Mr. Shin Yick, Fabian as an independent non-executive director of the Company.
4. To authorise the board of directors of the Company to fix the directors’ remuneration.
5. To re-appoint Messrs. Ernst & Young as the auditor of the Company and to authorise the board of directors of the Company to fix the auditor’s remuneration.
6. To consider as specific business and, if thought fit, pass with or without amendment(s), the following resolutions as ordinary resolutions:

(1) **“THAT:**

- (a) subject to paragraph (b) of this resolution, a general mandate be and is hereby generally and unconditionally given to the directors of the Company (the “Directors”) to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to repurchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, rules and regulations including but not limited to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or that of any other stock exchange as amended from time to time;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be repurchased by the Company pursuant to the mandate in paragraph (a) of this resolution shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution and the said mandate 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 expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

(2) “**THAT:**

(a) subject to paragraph (c) of this resolution, a general mandate be and is hereby generally and unconditionally approved and given to the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers;

(b) the mandate in paragraph (a) of this resolution shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of share allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the mandate in paragraph (a) of this resolution, otherwise than pursuant to:

- (i) a Rights Issue (as hereinafter defined);
- (ii) the exercise of any conversion rights attaching to any securities which are convertible into shares of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the exercise of the rights under any option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to Directors and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company; or
- (iv) any issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company from time to time,

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

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

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

- (3) “**THAT** conditional upon the passing of the ordinary resolutions set out in items 6(1) and 6(2) of the notice convening this meeting (the “Notice”), the general mandate referred to in the ordinary resolution set out in item 6(2) of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate number of shares of the Company repurchased by the Company pursuant to the mandate referred to in the ordinary resolution set out in item 6(1) of the Notice, provided that such amount shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing the ordinary resolution set out in item 6(1).”
7. “**THAT:**
- (a) with effect from the close of business of the day on which this resolution is passed, the rules of the new share option scheme (“New Share Option Scheme”), a copy of which having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the share option scheme of the Company and that the Directors be and are hereby authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected by the Stock Exchange, and at the Director’s absolute discretion to grant options to subscribe for shares of the Company thereunder and to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Share Option Scheme and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme; and
- (b) conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company pursuant to the written resolutions passed by the sole shareholder of the Company on 9 April 2010 (the “Existing Share Option Scheme”) be and is hereby terminated with effect from the date of adoption of the New Share Option Scheme and that no further share options will be granted under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options granted thereunder prior to the termination thereof pursuant to this resolution or otherwise as may be required in accordance with provisions of the Existing Share Option Scheme and share options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.”

By Order of the Board
Newton Resources Ltd
Chong Tin Lung, Benny
Chairman and Executive Director

Hong Kong, 21 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the articles of association of the Company and the poll voting results will be published on the websites of the Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the meeting or any adjournment thereof. A proxy (who must be an individual) need not be a member of the Company. 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. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he or they represent(s) as such member of the Company could exercise.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. at or before 11:45 a.m. on Wednesday, 10 June 2020 (Hong Kong time)) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the meeting, all transfers of shares of the Company accompanied by the relevant properly completed transfer forms and the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 June 2020.
5. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the websites of the Hong Kong Exchanges and Clearing Limited and the Company to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situation.

6. **Taking into account the outbreak and the wide spread of COVID-19 as a pandemic, the Company will implement the following prevention and control measures at the meeting to safeguard the health and safety of the shareholders and reduce the risk of infection: –**
 - (i) **Compulsory body temperature check will be conducted for every attendee at the entrance of the venue. Any person with a body temperature over 37.3 degrees Celsius will not be admitted to the venue;**
 - (ii) **Every attendee is required to wear a surgical facial mask before entering the venue and throughout the meeting (NO mask will be provided at the venue);**
 - (iii) **NO refreshment will be served and no corporate gift will be handed out at the meeting and seating will be arranged to ensure adequate physical distancing between attendees in order to reduce person-to-person contact;**
 - (iv) **Unless otherwise permitted by the Company, persons who are not Shareholders (or their duly authorised representatives in the case of Shareholders which are corporations) or proxy will not be admitted to the venue; and**
 - (v) **The Company strongly advises shareholders to appoint the chairman of the meeting as their proxy to vote on the resolutions instead of attending the meeting in person.**