
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Hang Tai Yue Group Holdings Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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恆泰裕集團控股有限公司
HANG TAI YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8081)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;
(3) PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME;
(4) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at 10:30 a.m. on Thursday, 4 June 2020 at VIP Room II on Podium Level 6, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong is set out on pages AGM-1 to AGM-7 of this circular. A form of proxy for use by the Shareholders at the AGM is enclosed herein.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 10:30 a.m. (Hong Kong time) on Tuesday, 2 June 2020 or not less than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Please see the section headed “PRECAUTIONARY MEASURES FOR THE AGM” in this circular for measures being taken to try to prevent and control the spread of the Coronavirus Disease at the AGM.

This circular will remain on the “Latest Company Announcements” page of the website of GEM at <http://www.hkgem.com> for a minimum period of seven days from the date of its posting and the website of the Company at <http://www.hangtaiyue.com>.

6 May 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing Coronavirus Disease (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong Government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) The Company encourages attendees to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served, and there will be no corporate gifts.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened to be held at 10:30 a.m. on Thursday, 4 June 2020, at VIP Room II on Podium Level 6, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-Laws”	the bye-laws of the Company
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Companies Act”	Company Act 1981 of Bermuda (as amended)
“Company”	Hang Tai Yue Group Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Company or any Invested Entity
“Eligible Participant(s)”	the persons who may be offered by the Directors to take up Options including: (a) any Eligible Employee;

DEFINITIONS

	<ul style="list-style-type: none">(b) any directors (including non-executive directors and independent non-executive directors) of the Company, any subsidiary of the Company or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of any member of the Group or any Invested Entity;(e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;(f) 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;(g) any professional adviser, consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and(h) 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
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 12 November 2010 and expiring on 11 November 2020
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate as set out in resolution numbered 6 in the notice convening the AGM
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 5 in the notice convening the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“inside information”	has the meaning defined in the SFO as amended from time to time
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	29 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	an option to subscribe for the Shares granted pursuant to the terms of the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Share Option Scheme; and (ii) 10 years from the Offer Date of that Option

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares which shall not exceed 10% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 4 in the notice convening the AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“Termination Date”	close of business of the Company on the date which falls 10 years after the date of adoption (subject to the passing of a resolution by the Shareholders at the AGM to so approve) of the New Share Option Scheme
“%”	per cent.

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



恒泰裕集團控股有限公司

HANG TAI YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8081)

Executive Directors:

Mr. Hui Chun Sum (*Chairman*)

Ms. Lam Ching Yee (*Chief Executive Officer*)

Ms. Pauline Lam

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Wong Siu Keung, Joe

Mr. Lee King Fui

Mr. Ho Kin Wai

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

Unit B, 19/F

Centre Mark II

305–313 Queen's Road Central

Sheung Wan

Hong Kong

6 May 2020

To the Shareholders

Dear Sir or Madam

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;
(3) PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME;
AND
(4) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the proposed re-election of the retiring Directors; (iii) the proposed termination of the Existing Share Option Scheme; and (iv) the proposed adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The general mandates previously granted to the Directors to repurchase and issue Shares by the Shareholders at the annual general meeting of the Company held on 3 June 2019 will expire at the conclusion of the AGM. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange not exceeding 10% of the number of issued Shares on the date of passing such resolution (i.e. 533,623,510 Shares) assuming that the total number of issued Shares remains the same at 5,336,235,108 Shares from the Latest Practicable Date up to the date of passing such resolution;
- (b) to allot, issue or deal with Shares not exceeding 20% of the number of issued Shares on the date of passing such resolution (i.e. 1,067,247,021 Shares) assuming that the total number of issued Shares remains the same at 5,336,235,108 Shares from the Latest Practicable Date up to the date of passing such resolution; and
- (c) to extend the General Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the General Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the AGM as set out on pages AGM-2 to AGM-4 of this circular. With reference to the Repurchase Mandate and the General Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-Law 83(2) of the Bye-Laws, the Directors shall have the power from time to time and at any time to appoint any person as a Director to fill in a casual vacancy on the Board or, subject to authorisation by the Shareholders in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any

LETTER FROM THE BOARD

Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

As disclosed in the announcement of the Company dated 5 June 2019, with effect from 5 June 2019, Ms. Lam Ching Yee has been appointed as an executive Director and the chief executive officer of the Company. Accordingly, Ms. Lam Ching Yee shall retire and being eligible, will offer herself for re-election at the AGM.

Further, pursuant to Bye-Law 84(1) of the Bye-Laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Pursuant to Bye-Law 84(2) of the Bye-Laws, any Director appointed pursuant to Bye-law 83(2) of the Bye-Laws shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. As such, Ms. Lam Ching Yee is not taken into account in determining the number of Directors who are to retire by rotation.

In accordance with Bye-Law 84 of the Bye-Laws, Mr. Hui Chun Sum and Ms. Pauline Lam shall retire at the AGM and both of them, being eligible, will offer themselves for re-election at the AGM.

The particulars of Ms. Lam Ching Yee, Mr. Hui Chun Sum and Ms. Pauline Lam are set out in Appendix II to this circular.

4. PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company pursuant to a resolution passed on 12 November 2010. Pursuant to the terms of the Existing Share Option Scheme, it would be valid and effective until 11 November 2020, being 10 years after the adoption date of the Existing Share Option Scheme. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option scheme.

Taking into account that the Existing Share Option Scheme will expire on 11 November 2020, the Board proposes to adopt the New Share Option Scheme pursuant to Chapter 23 of the GEM Listing Rules and a resolution will be proposed at the AGM for the adoption of the New Share Option Scheme.

Conditional upon the passing of the resolution by the Shareholders at the AGM, the Existing Share Option Scheme will be terminated and no further options shall be granted pursuant to the Existing Share Option Scheme.

As at the Latest Practicable Date, there was no outstanding share options granted but not yet exercised under the Existing Share Option Scheme.

LETTER FROM THE BOARD

5. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Board now proposes to adopt the New Share Option Scheme pursuant to Chapter 23 of the GEM Listing Rules, and a resolution will be proposed at the AGM for the adoption of the New Share Option Scheme.

The Directors consider that the New Share Option Scheme will enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity. The success of the Group not only depends on the contributions by the employees and directors of the Group, but also requires the co-operations and contributions from parties who play a part in the business and operations of the Group, including professional advisers, consultants, customers and suppliers of goods or services of the Group. It is therefore beneficial to the Company to align the interests of such parties with those of the Group and to maintain good business relationships with such parties. The grant of Options to such parties is considered as an appropriate method of achieving such goal, as Options will offer incentives for such parties to provide better services to the Group, to offer more stable and quality supplies to the Group and/or to maintain business relationship with the Group, thereby benefiting the long-term growth of 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 subscription price of an Option cannot in any event fall below the price stipulated in the GEM 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.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participants to whom the Options shall be granted. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entities.

As at the Latest Practicable Date, there were 5,336,235,108 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the AGM, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme will be 533,623,510 Shares (“**Available Limit**”), being 10% of the Company’s issued shares as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM, which maximum number may however be refreshed as detailed in paragraph headed “(3) Maximum number of shares available for subscription” of Appendix III to this circular provided that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any options outstanding and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the issued Shares from time to time (“**30% Overall Limit**”).

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On the basis of 5,336,235,108 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represented a total of 1,600,870,532 Shares. As at the Latest Practicable Date, there was no outstanding option under the Existing Share Option Scheme and the maximum number of Shares which might be issued upon the exercise of options under the Available Limit amounted to 533,623,510 as discussed above, and accordingly, did not exceed the 30% Overall Limit as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company currently did not have any plan to grant Options under the New Share Option Scheme, the exercise of which will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%. The Company shall at all times ensure that the number of Shares in the hand of the public shall not fall below the prescribed minimum percentage of 25%.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

Unless otherwise determined by the Directors and stated in the Offer to a grantee, there is no performance target and no minimum period for which an Option must be held before it can be exercised under the New Share Option Scheme. The subscription price for Shares on exercise of Options under the New Share Option Scheme as determined by the Board, subject to any adjustments made pursuant to the New Share Option Scheme, shall be no less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

Value of Options that can be granted under the New Share Option Scheme

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the New Share Option Scheme at the AGM will not be meaningful to the Shareholders, since the Options will be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. In addition, the calculation of the value of the Options is based on a number of variables such as subscription price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the New Share Option Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

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Conditions of the adoption of the New Share Option Scheme

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

- (a) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM); and
- (b) the passing of the necessary resolution by the Shareholders at the AGM to approve and adopt the New Share Option Scheme.

General

A summary of the principal terms of the rules of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III to this circular on pages 19 to 28. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit B, 19/F, Centre Mark II, 305–313 Queen's Road Central, Sheung Wan, Hong Kong during normal business hours for the period from 6 May 2020 to 3 June 2020 (inclusive of both dates) and at the AGM.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the AGM).

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

Directors and controlling shareholder's interests in competing business

Mr. Hui Chun Sum, an executive Director, is the ultimate sole shareholder of Chinese Financial Limited, which is a company principally engaged in the money lending business in Hong Kong.

Ms. Pauline Lam, an executive Director, is the director and sole shareholder of Jin Li Da Limited, which is a company principally engaged in the money lending business in Hong Kong.

Mr. Lee King Fui, an independent non-executive Director, is an independent non-executive director of Easy Repay Finance & Investment Limited (Stock Code: 8079), the shares of which are listed on GEM and is principally engaged in the money lending business in Hong Kong.

LETTER FROM THE BOARD

Save as disclosed above, none of the Directors, controlling shareholder of the Company or their respective close associates had an interest in any business, apart from the businesses of the Group, which competes or may compete either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

6. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages AGM-1 to AGM-7 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate, the re-election of the retiring Directors, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

In compliance with the GEM Listing Rules, all resolutions will be put to vote by way of poll at the AGM. To the best of the Directors' knowledge, information and belief, none of the Shareholders is required to abstain from voting for the resolutions to be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 10:30 a.m. (Hong Kong time) on Tuesday, 2 June 2020 or not less than 48 hours before the time appointed for holding any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Closure of register of members

To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 1 June 2020 to Thursday, 4 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 29 May 2020.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

8. RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate, the re-election of the retiring Directors, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory statement on the Repurchase Mandate), Appendix II (Details of the retiring Directors proposed to be re-elected at the AGM) and Appendix III (Summary of the principal terms of the rules of the New Share Option Scheme) to this circular.

Yours faithfully
On behalf of the Board
Hang Tai Yue Group Holdings Limited
Hui Chun Sum
Chairman

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

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the grant of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 5,336,235,108 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the AGM in respect of the grant of the Repurchase Mandate and assuming that the total number of Shares in issue remains the same at 5,336,235,108 Shares from the Latest Practicable Date up to the date of passing such resolution, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, not exceeding 533,623,510 Shares, representing 10% of the number of issued Shares as at the date of the AGM.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of continuance and the Bye-Laws, the Companies Act, the laws of Bermuda and/or any other applicable laws, as the case may be. The Companies Act provides that a company may only repurchase its own shares out of capital paid up on its shares to be repurchased, or out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made by the company for the purpose of the repurchase. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of either funds of the company that would otherwise be available for dividend or distribution, or out of the company's share premium account. Further, such repurchase may not be made if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due. If the Directors would exercise the Repurchase Mandate to repurchase Shares, subject to the then financial resources and conditions of the Group, funds of the Company which would be available for dividend or distribution are preferred to be used for funding such repurchase.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the 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 Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Ms. Cheng Hei Yu was the controlling Shareholder, holding 3,765,987,973 Shares, representing approximately 70.57% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate and there is no change in the issued share capital of the Company prior to the date of the AGM, the shareholding of Ms. Cheng Hei Yu would be increased to approximately 78.42% of the reduced issued share capital of the Company. Such increase would not give rise to an obligation of such Shareholder to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

6. GENERAL

None of the Directors or, to the best of their knowledge after having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules) have any present intention to sell any Shares to the Company in the event that the grant of the 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 grant of the 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 Repurchase Mandate in accordance with the GEM Listing Rules, all the applicable laws of Bermuda, the memorandum of continuance of the Company and the Bye-Laws.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange in the last 12 months up to the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2019		
April	0.029	0.022
May	0.032	0.021
June	0.028	0.020
July	0.028	0.017
August	0.033	0.020
September	0.028	0.025
October	0.029	0.022
November	0.024	0.016
December	0.025	0.020
2020		
January	0.024	0.020
February	0.024	0.019
March	0.026	0.019
April (up to the Latest Practicable Date)	0.025	0.016

8. REPURCHASE OF SHARES MADE BY THE COMPANY

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

Pursuant to the GEM Listing Rules, the details of the Directors who will retire at the AGM according to the Bye-Laws and will be proposed to be re-elected at the same meeting are provided below.

(1) Ms. Lam Ching Yee

Ms. Lam Ching Yee (“**Ms. Lam CY**”), aged 39, has been appointed as an executive Director and the chief executive officer of the Company with effect from 5 June 2019. She has also been appointed as the company secretary, the authorised representative of the Company under Rule 5.24 of the GEM Listing Rules and the authorised representative of the Company under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) since 2013. Ms. Lam CY was the financial controller of the Company from September 2013 to June 2019. She is also a director of a number of subsidiaries of the Company. Ms. Lam CY obtained her Bachelor of Business Administration (Honours) in Finance from the City University of Hong Kong in 2006 and she is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Lam CY has more than ten years of experience in the areas of corporate restructuring, financial management, merger and acquisition and auditing. With effect from 23 June 2016, Ms. Lam CY has been appointed as an executive director of Finsoft Financial Investment Holdings Limited, a company whose shares are listed on GEM (Stock Code: 8018), of which approximately 10.85% were held by the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Ms. Lam CY did not hold (i) any other positions with the Company or other members of the Group; (ii) any other major appointments and professional qualifications; and (iii) any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Ms. Lam CY did not have (a) any relationship with any other Directors, senior management of the Company, the substantial shareholder (having the meaning ascribed to it in the GEM Listing Rules) of the Company or the controlling shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company; and (b) any interest in the Shares within the meaning of Part XV of the SFO.

Ms. Lam CY has entered into a letter of appointment with the Company pursuant to which she has been appointed as an executive Director and the chief executive officer of the Company for a term commencing on 1 January 2020 and ending on 31 December 2020, unless terminated by either party by serving a written notice of not less than one month on the other. Her directorship in the Company is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-Laws, the GEM Listing Rules and any applicable laws and regulations. Pursuant to the employment contract entered into between the Company and Ms. Lam CY, she is entitled to a monthly remuneration of HK\$80,000, which was determined with reference to her background, experience, qualifications, duties and responsibilities with the Group and the prevailing market conditions. Ms. Lam CY is also entitled to a discretionary bonus to be determined by the Board at its discretion having regard to the performance of Ms. Lam CY and the Company.

Save as disclosed above, there is no other information required to be disclosed in relation to the re-election of Ms. Lam CY pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rule, and there is no other matter that needs to be brought to the attention of the Shareholders.

(2) Mr. Hui Chun Sum

Mr. Hui Chun Sum (“**Mr. Hui**”), aged 39, was appointed as an executive Director with effect from 13 August 2018, and the chairman of the Board on 1 December 2018. He has over 10 years of experience in corporate management and operation. He has been the director of Nation Land Investment Limited since August 2007, and the managing director of Chun Sum Property Development Limited since July 2007. Mr. Hui obtained a professional diploma in corporate governance and directorship from the Hong Kong Institute of Directors in June 2013, and an advanced diploma in finance from the University of Hong Kong School of Professional and Continuing Education in July 2004.

As at the Latest Practicable Date, Mr. Hui did not have (i) any relationship with any other Directors, senior management of the Company, the substantial shareholder (having the meaning ascribed to it in the GEM Listing Rules) of the Company or the controlling shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company; (ii) any interest in the Shares within the meaning of Part XV of the SFO; and (iii) hold any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, as at the Latest Practicable Date, Mr. Hui did not hold (a) any other major appointments and professional qualifications; and (b) any other positions with the Company or other members of the Group.

Mr. Hui has entered into a letter of appointment with the Company as an executive Director which commenced on 1 January 2020 and ending on 31 December 2020, unless terminated by either party by serving a written notice of not less than one month on the other. His directorship in the Company is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws, the GEM Listing Rules and any applicable laws and regulations. Pursuant to the service agreement entered into between the Company and Mr. Hui, he is entitled to a director’s remuneration of HK\$30,000 per month which was determined with reference to his background, experience, qualifications, duties and responsibilities with the Group and the prevailing market conditions. Mr. Hui is also entitled to a discretionary bonus to be determined by the Board at its discretion having regard to the performance of Mr. Hui and the Company.

Save as disclosed above, there is no other information required to be disclosed in relation to the re-election of Mr. Hui pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rule, and there is no other matter that needs to be brought to the attention of the Shareholders.

(3) Ms. Pauline Lam

Ms. Pauline Lam (“**Ms. P. Lam**”), aged 37, was appointed as an executive Director with effect from 13 August 2018. She has also been an executive director of China Overseas Nuoxin International Holdings Limited (formerly known as Kenford Group Holdings Limited), a company whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 464), since August 2017. Ms. P. Lam worked at TAG Aviation Asia Limited from April 2013 to April 2017 and her last position was senior client responsible manager, and worked at China Point Enterprises Limited from January 2006 to July 2011 with her last position being sales and merchandising manager. She has extensive experiences in business strategy development and stakeholders networking. Ms. P. Lam obtained a bachelor’s degree in Business Administration from the Pepperdine University, USA in December 2004.

As at the Latest Practicable Date, Ms. P. Lam did not have (i) any relationship with any other Directors, senior management of the Company, the substantial shareholder (having the meaning ascribed to it in the GEM Listing Rules) of the Company or the controlling shareholders (having the meaning ascribed to it in the GEM Listing Rules) of the Company; and (ii) any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Ms. P. Lam did not hold (a) any other major appointments and professional qualifications; (b) any other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas; and (c) any other positions with the Company or other members of the Group.

Ms. P. Lam has entered into a letter of appointment with the Company as an executive Director which commenced on 1 January 2020 and ending on 31 December 2020, unless terminated by either party by serving a written notice of not less than one month on the other. Her directorship in the Company is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws, the GEM Listing Rules and any applicable laws and regulations. Pursuant to the service agreement entered into between the Company and Ms. P. Lam, she is entitled to a director’s remuneration of HK\$40,000 per month which was determined with reference to her background, experience, qualifications, duties and responsibilities with the Group and the prevailing market conditions.

Save as disclosed above, there is no other information required to be disclosed in relation to the re-election of Ms. P. Lam pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

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

(1) PURPOSE OF THE NEW SHARE OPTION 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 and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the New Share Option Scheme and the GEM Listing Rules, invite any person belonging to any of the following classes of participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any directors (including non-executive directors and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) 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;
- (g) any professional adviser, consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and
- (h) 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 of the Group.

and, for the purposes of the New Share Option Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants. For the 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 fall within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the New Share Option Scheme.

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

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The maximum number of Shares which may be allotted and issued upon 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.
- (b) The total number of Shares which may be allotted and 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 at the day on which the New Share Option Scheme is approved and adopted, which is 533,623,510 Shares (assuming there will be no change in the number of issued Shares between the Latest Practicable Date and the date of approval of the New Share Option Scheme) (“**General Scheme Limit**”).
- (c) Subject to (a) above and without prejudice to (d) below, the Company may seek approval of the 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 to be sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.
- (d) Subject to (a) above and without prejudice to (c) 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 (c) above to Eligible Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the 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 and such other information required under Rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

- (e) If the Company conducts a share consolidation or subdivision after the General Scheme Limit, or if applicable, the refreshed limit referred to in (c) 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 or any other share option schemes of the Group under the General Scheme Limit, or if applicable, the refreshed limit referred to in (c) above, as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

(4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE 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, cancelled or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares for the time being (“**Individual Limit**”). Any further grant of Options to an Eligible Participant 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 the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such participant and his/her close associates abstaining from voting. The number and terms (including the subscription price) of the Options to be granted to such participant must be fixed before Shareholders’ approval and the date of 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 23.03(9) of the GEM Listing Rules.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) 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 (excluding independent non-executive Director who or whose associate is the grantee of the Options).
- (b) Where any grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the 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 containing, among other things, information required under Rule 23.04(3) of the GEM Listing Rules. Such 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/her intention to do so has been stated in the said circular to the Shareholder. Any vote taken at the general 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 or any of their respective associates must also be approved by the independent Shareholders in general meeting.

(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND EXERCISE OF OPTION

An offer of the grant of the Option may be accepted by a participant within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date) and the Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted on the Offer Date.

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 the Offer Date 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.

(7) MINIMUM PERIOD AND PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a grantee, a grantee is not required to hold an Option for any minimum period nor achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

(8) SUBSCRIPTION PRICE FOR SHARES

The subscription price for Shares under the New Share Option Scheme shall 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 for trade in one or more board lots of the Shares on the Offer Date, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the Shares for the five Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

(9) RANKING OF SHARES

- (a) Shares allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws 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 re-opening 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 thereof shall be before the Exercise Date. No dividend (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. 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.
- (b) 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 sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

(10) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, the Company may not grant any Options after inside information has come to its knowledge until it has announced the information. In particular, the Company may not grant any Option during the period commencing one month immediately before the earlier of (a) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), and (b) the last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), including any period of delay in publishing the results announcement and ending on the date of the results announcement. The Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares under such circumstances as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(11) 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.

(12) 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 or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in paragraph (15) below before exercising his/her Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation or termination. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

(13) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Option in full, his/her 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 following the date of cessation which date shall be 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 or such longer period as the Directors may determine.

(14) RIGHTS ON DISMISSAL

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he/she has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his/her creditors generally, 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 Invested Entity into disrepute), his/her Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(15) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (a)(i) the grantee of any Option (other than an Eligible Employee) has committed any breach of any contract entered into between the grantee on the one part and the Group or any Invested Entity on the other part; or (ii) that the grantee has become insolvent or bankrupt or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of his/her relations with the Group or by other reason whatsoever; and (b) the Option granted to the grantee under the New Share Option Scheme shall automatically lapse, his/her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(16) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase 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 Shareholders, a grantee shall be entitled to exercise his/her Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his/her Option at any time before the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement (as the case maybe). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(17) 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 prior to the date on which such resolution is to be considered and/or passed, exercise his/her 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 of the Shares in respect of which such grantee has exercised his/her 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.

(18) GRANTEE BEING A COMPANY WHOLLY OWNED BY ELIGIBLE PARTICIPANTS

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

- (a) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the Options 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 (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and

- (b) 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.

(19) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Share Option Scheme and the Option so far as unexercised and/or the subscription price of the Option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the GEM Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

(20) CANCELLATION OF OPTIONS

Save as to breach of paragraph (22) and subject to Chapter 23 of the GEM Listing Rules, any cancellation of Options granted but not exercised must be subject to 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 Options 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 (3)(c) and (d) above.

(21) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by ordinary 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.

(22) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the grantee and shall not be transferable or assignable.

(23) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (12), (13), (14), (15), (16), (17) and (18); or (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (22) above by the grantee.

(24) OTHERS

- (a) The New Share Option Scheme is conditional on the passing of the necessary resolution to approve and adopt the New Share Option Scheme in the AGM and the Stock Exchange granting approval of 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.
- (b) The New Share Option Scheme may be altered in any respect by a resolution of the Directors except that the provisions of the New Share Option Scheme as to (i) the definitions of "Eligible Participants", "Grantee", "Option Period" and "Termination Date" and (ii) the provisions of the New Share Option Scheme relating to the matters governed by Rule 23.03 of the GEM Listing Rules, shall not be altered to the advantage of grantees or prospective grantees except with the prior sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Shareholders under the Bye-Laws for a variation of the rights attached to the Shares.
- (c) 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.

- (d) The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (e) 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.

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恒泰裕集團控股有限公司

HANG TAI YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8081)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Hang Tai Yue Group Holdings Limited (“**Company**”) will be held at 10:30 a.m. on Thursday, 4 June 2020 at VIP Room II on Podium Level 6, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong, for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2019.
2.
 - (a) To re-elect Ms. Lam Ching Yee as an executive director of the Company;
 - (b) To re-elect Mr. Hui Chun Sum as an executive director of the Company;
 - (c) To re-elect Ms. Pauline Lam as an executive director of the Company; and
 - (d) To authorise the board (“**Board**”) of directors of the Company (“**Directors**”) to fix the remuneration of the Directors.
3. To re-appoint Ascenda Cachet CPA Limited as auditors of the Company and to authorise the Board to fix their remuneration.

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

ORDINARY RESOLUTIONS

4. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase (or agree to purchase) its shares (“**Shares**”) in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended), and all other applicable laws of Bermuda in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased or agreed to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares on the date of passing of this resolution and the said approval shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose 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 revocation or variation of the authority given to the Directors under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”

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5. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued Shares and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements or options, including warrants to subscribe for Shares, 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 Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of any options granted under a share option scheme adopted by the Company;
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed the aggregate of:

- (aa) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;

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- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (e) 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 revocation or variation of the authority given to the Directors under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held;

“Rights Issue” means an offer of Shares, or offer on issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

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6. “**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this Meeting (“**Notice**”), the general mandate granted to the Directors referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the mandate referred to in the resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10 per cent. of the number of issued Shares on the date of the passing of this resolution.”
7. “**THAT** with effect from the close of business of the day on which this resolution numbered 7 is passed, the existing share option scheme (“**Existing Share Option Scheme**”) adopted by the Company pursuant to a resolution passed by the then shareholders of the Company on 12 November 2010 (a copy of the Existing Share Option Scheme having been produced to the meeting marked “**A**” and signed by the chairman of the Meeting for the purpose of identification) be and is hereby terminated and cease to have any further effect.”
8. “**THAT** conditional upon the Stock Exchange granting the approval for the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (“**New Share Option Scheme**”, the rules of which are summarised in the circular of the Company dated 6 May 2020 (“**Circular**”)), such number being not less than that of the General Scheme Limit (as defined in the Circular), the rules of the New Share Option Scheme be and are hereby approved and adopted and that the Directors be and are hereby authorized to:
 - (a) administer the New Share Option Scheme under which options will be granted to eligible participants under the New Share Option Scheme to subscribe for Shares;
 - (b) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
 - (c) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme; and
 - (d) make application at the appropriate time to the Stock Exchange, and any other stock exchange upon which the Shares may for the time being be listed, for listing of, and permission to deal in, the Shares which may thereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme;

and if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company that may be issued

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upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the General Scheme Limit (as defined in the Circular) shall be adjusted to the effect that the 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 schemes of the Company or its subsidiaries under the General Scheme Limit (as defined in the Circular) as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same.”

On behalf of the Board
Hang Tai Yue Group Holdings Limited
Hui Chun Sum
Chairman

6 May 2020

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit B, 19/F
Centre Mark II
305–313 Queen’s Road Central
Sheung Wan
Hong Kong

Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on GEM (“**GEM**”) of the Stock Exchange and the results of the poll will be published on the websites of GEM and the Company in accordance with the GEM Listing Rules.
2. To ascertain a member’s entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 1 June 2020 to Thursday, 4 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 29 May 2020.
3. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
5. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 10:30 a.m. (Hong Kong time) on Tuesday, 2 June 2020 or not less than 48 hours before the time appointed for holding any adjourned Meeting.

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6. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned Meeting in cases where the Meeting was originally held within 12 months from such date.
7. Where there are joint holders of any Shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting or any adjournment thereof if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
9. References to time and dates in this notice are to Hong Kong time and dates.