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

If you have sold or transferred all your shares in Milan Station Holdings Limited (the "Company"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1150)

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

A notice convening the annual general meeting of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on Wednesday, 30 June 2021 at 4:30 p.m. or any adjournment thereof (as the case may be) is set out on pages 30 to 35 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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 or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of Shareholders, staff and stakeholders, **the Company encourages Shareholders and those who could not attend the Annual General Meeting, instead of attending the Annual General Meeting in person, to appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting**, by completing and returning the form of proxy in accordance with the instructions printed thereon.

Shareholders and other persons attending the Annual General Meeting should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the Annual General Meeting, including:

- (a) mandatory body temperature screening;
- (b) mandatory health declaration;
- (c) mandatory wearing of surgical face masks; and
- (d) no refreshments, no food and beverage service, no handing out of corporate gifts or gift coupons, and no eating or drinking is allowed in the Annual General Meeting venue.

For the safety of the attendees at the Annual General Meeting, the Company reserves the right to deny entry into or require any person to leave the Annual General Meeting venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; or
- (iv) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all Shareholders to minimize the risk of spreading COVID-19.

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme proposed to be adopted by the Shareholders at the Annual General Meeting
“Annual General Meeting”	an annual general meeting of the Company to be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Wednesday, 30 June 2021 at 4:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of Annual General Meeting which is set out on pages 30 to 35 of this circular, or any adjournment thereof (as the case may be)
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	Milan Station Holdings Limited 米蘭站控股有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any employees (including part time and full time employee), executives or officers, any directors (including executive, non-executive and independent non-executive directors) of the Group and any advisers and consultants of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group
“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 People’s Republic of China

DEFINITIONS

“Issuance Mandate”	has the same meaning as defined in paragraph 3(a) of the letter from the Board which is set out on page 4 of this circular
“Latest Practicable Date”	26 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company currently in force
“Model Code”	the Model Code for securities transactions by Director of the listed issuer as set out in Appendix X to the Listing Rules
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Option(s)”	rights to subscribe for Share(s) granted pursuant to the New Share Option Scheme
“Repurchase Mandate”	has the same meaning as defined in paragraph 3(b) of the letter from the Board which is set out on page 4 of this circular
“Scheme Mandate Limit”	the maximum number of Options that may be granted by the Company pursuant to the Share Option Scheme
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company or if there has been a subsequent sub-division, 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)”	holder(s) of the Share(s)
“Existing Share Option Scheme”	the share option scheme approved and adopted by the Company on 28 April 2011

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“%”	Percentage or per centum

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

LETTER FROM THE BOARD



MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

Executive Directors:

Mr. HU Bo

Mr. LI Zhongqi

Independent Non-executive Directors:

Mr. CHAN Chi Hung

Mr. TOU Kin Chuen

Mr. CHOI Kam Yan, Simon

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Room 13, 6/F, Block A

Hong Kong Industrial Centre

489-491 Castle Peak Road

Kowloon

Hong Kong

31 May 2021

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of certain resolutions to be proposed at the Annual General Meeting for (i) re-election of retiring Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the granting of the Repurchase Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the total number of Shares repurchased by the Company under the Repurchase Mandate; (v) details of the proposed adoption of new share option scheme and (vi) notice of Annual General Meeting.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprised Mr. Hu Bo and Mr. Li Zhongqi as Executive Directors, and Mr. Chan Chi Hung, Mr. Tou Kin Chuen and Mr. Choi Kam Yan, Simon as Independent Non-executive Directors.

Pursuant to Articles 84(1) and 84(2) of the Articles of Association, Mr. Hu Bo and Mr. Tou Kin Chuen shall retire by rotation from office at the Annual General Meeting. Each of Mr. Hu Bo and Mr. Tou Kin Chuen, being eligible, will offer himself for re-election at the Annual General Meeting.

The nomination committee of the Company has assessed the suitability of Mr. Hu Bo and Mr. Tou Kin Chuen by reference to the Company's Director's nomination policy and board diversity policy including but not limited to their commitment in respect of sufficient time, interest and attention to the Company's affairs. and considers Mr. Hu Bo and Mr. Tou Kin Chuen are suitable candidates for holding a directorship of the Company.

Details of the retiring Directors required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to the ordinary resolutions passed by the Shareholders on 29 June 2020, general mandates were granted to the Directors to issue and repurchase Shares respectively. Such general mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with additional Shares of up to 142,385,775 Shares, being 20% of the total number of Shares in issue of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting on the basis that 711,928,875 Shares were in issue as at the Latest Practicable Date and no further Shares are issued or repurchased before the Annual General Meeting (the "**Issuance Mandate**");
- (b) to exercise all powers of the Company to repurchase Shares on the Stock Exchange of up to 71,192,887 Shares, being 10% of the total number of Shares in issue of the Company as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting on the basis that 711,928,875 Shares were in issue as at the Latest Practicable Date and no further Shares are issued or repurchased before the Annual General Meeting (the "**Repurchase Mandate**"); and
- (c) to extend the Issuance Mandate by adding the total number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

With reference to the Repurchase Mandate and the 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 requisite information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

Each of the Repurchase Mandate and Issuance Mandate will expire at the earliest of:

- (a) the conclusion of the Company's next annual general meeting; or
- (b) the expiration of the period within which the Company is required by law or the Articles of Association to hold its next annual general meeting; or
- (c) when varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

4. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

On 28 April 2011, the Company adopted the Existing Share Option Scheme. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective for a period of ten years from its date of adoption until 27 April 2021.

Pursuant to the terms of the Existing Share Option Scheme, no further share options will be granted thereunder after the expiry of the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted thereunder (if any) prior to such expiry or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme, and all share options granted thereunder (if any) prior to such expiry shall continue to be exercisable subject to and in accordance with their terms of grant.

As at the Latest Practicable Date, the Company had 44,212,068 outstanding share options granted under the Existing Share Option Scheme. Details of the outstanding share option was as follow:

Date of grant	Categories of grantees	Exercise price	No of share option	Validity period
12/4/2019	Directors & employees	0.472	22,087,380	12/4/2019 – 11/4/2022
17/4/2020	Directors & employees	0.11	22,124,688	17/4/2020 – 16/4/2022

LETTER FROM THE BOARD

The outstanding share options under the Existing Share Option Scheme will remain valid and exercisable after the termination of the Existing Share Option Scheme.

The New Share Option Scheme

In view of the expiry of the Existing Share Option Scheme, the Board proposed the adoption of the New Share Option Scheme, which will be valid for a term of 10 years from the Adoption Date. The New Share Option Scheme will replace the Existing Share Option Scheme.

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 or potential contribution to the Group to promote the success of the Group. This Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

The Board considers that the New Share Option Scheme will motivate more persons to make contribution to the Group, facilitate the retention and the recruitment of high-calibre staff of the Group and that it is the interests of the Group as a whole for a broad category of Eligible Participants to be given incentives to participate in the growth of, and make contribution to, the Group in the form of share options to subscribe for Shares. Furthermore, the Board considers that the Eligible Participants will share common interests and objectives with the Group upon their exercise of the share options, which is beneficial to the long-term development of the Group. In addition, the adoption of the Scheme is in line with modern commercial practice that employees, executives or officers, any directors (including executive, non-executive and independent non-executive directors) of the Group be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company and for the benefit of the Group as a whole.

LETTER FROM THE BOARD

The Board also considers that it is necessary to ensure the scope of participants under the New Share Option Scheme is wide enough to cover those individuals and entities, which are able to contribute to the Group but fall outside the traditional employer-and-employee relationship, and allow the Company to have flexibility to incentives and reward to these parties as the Company considers commercially appropriate. The Group's business expansion from time to time relies heavily on a number of external advisers and consultants of the Group. Due to the poor business environment, the Group started a cost effective control including but not limited to reduce the manpower of the Group. Therefore, the Group gave up the in-house designer, marketing manager etc and relied on external advisers and consultants when needed for example the interior design on the decoration of new or refurbish shops; Graphic design on advertisement in order to increase brand awareness and research on shop location in order to minimize the rental cost etc. Besides, the Group started entering into the wholesale industry, the Group started procuring famous branded products including but not limited to shirts, pants and shoes in bulk and sell the products to retailer or end user directly. Under the wholesales business, the Group enjoy a large discount on large orders when procuring the products and allow the Group to supply the most up to date products. Relies on external adviser and consultants are the business need for the Group as this is the first time to enter into the wholesales industry by the Group. External advisers or consultants who familiar in the wholesales industry can give advices on our business model and rectify the faults as soon as possible. Besides, they can help leading us to stand out in wholesales industry by using their network in retail and wholesales industries, so external advisers and consultants pay an important role on the potential growth of this business.

In addition to the pursuit of existing business, the Company will explore business opportunities to enhance the value of the Company. Considering the current business expansion plan of the Company, it is necessary to hire different external advisers or consultants to (i) help refer and identify suitable investment targets, (ii) formulate negotiation strategies, (iii) conduct financial due diligence exercise, (iv) conduct legal due diligence exercise, (v) provide industrial insight and analysis to the retail and wholesale business.

The New Share Option Scheme could reward them for their contribution to the Group and their loyalty in having a long term and sustainable business relationship with the Group. It is also expected that these external parties may be able to contribute to the Group by introducing potential business opportunities or investors or other business partners to the Group.

The Board believes that the New Share Option Scheme could align the interest of the Group and these external parties by allowing them to have a personal stake in the Company and incentivise the participation and involvement of these external parties of the business of the Group for the purpose of promoting the long-term growth of the Group whereby the intended purposes of the adoption of the New Share Option Scheme could be achieved.

LETTER FROM THE BOARD

The Board will consider the merits and conditions of each grant on a case-by-case basis and the scope of Eligible Participants as set out in the New Share Option Scheme allows the flexibility for the Board to exercise their discretion where these individuals or entities made or will make significant contributions to or have an important role in the growth of the Group as a whole.

However, the recruitment of different external advisers and consultants from the financial, legal, information technology, insurance and actuary, investment or other professional sectors may incur a large amount of cash resulted in other projects may not be fruitful since the professional fee incurred will affect the cashflow for daily operation use especially on the procurement process. Therefore, in addition to providing minimum cash or no cash involved at all, the Company is intended to grant Options to these external advisers or consultants as their remuneration for their services rendered to the Group. The Board takes the view that granting the Options to the external advisers or consultants will enhance the cashflow which is not required to settle their remuneration by cash and therefore allows the Group retain sufficient buffer cash for future or sudden use. Simultaneously, the Group will also recognize the share-based payment expenses.

As at the Latest Practicable Date, no outstanding share option had granted to external adviser and consultants. In the event that Options granted to external advisers and consultants, they would acquire a proprietary interest in the Shares and they should have a high motivation to provide services to the Group because their remunerations will be largely dependable upon on the increase of the Share price at the date of grant and at the date of exercising the Options. In case of the exercise price is below the future Share price and assuming the only remunerations provided to the advisers and consultants are Options, these advisers and consultants may have no actual remuneration for their services provided. The Board believes that such arrangement would align the external advisers' and consultants' interest with the Group and these external advisers and consultants would keen to see the increase of Share price by providing the best possible services to the Group.

Although, the Company may also issue Shares to theses external advisers and consultants under a general mandate for rewarding their services, such method may or may not allow them to benefit from the potential growth of the Share price. In addition, issuing Shares under a general mandate to reward the external advisers and consultants would immediately bring about the dilution effects among the shareholding of the Shareholders, regardless the future financial performance of the Group. On the contrary, Options are usually exercisable during the vesting periods, which are generally a year or a few years later after the date of grant.

While the Company do not preclude issuing Shares under a general mandate to reward these external advisers and consultants, the Board believes that granting Options to them is a more plausible method and would also allow the Board to have the required flexibility for rewarding these advisers and consultants at the lowest cash cost.

LETTER FROM THE BOARD

In light of above, the Board considers that remunerating the external advisers or consultants by way of Options will (i) motivate them to optimize their performance efficiency for the benefit of the Group and (ii) attract and retain them whose contributions are or will be beneficial to the long term growth of the Group.

When assessing the eligibility of the external advisers or consultants, the Board will consider the following factors (where applicable) to consider whether they will make significant contributions to or have an important role in the growth of the Group as a whole:

- (a) his/her/their potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), with regard to the quality or importance of services provided or expected to be provided by such Eligible Participants to the Group, and the actual or expected change in the Group's revenue or profits which is or may be attributable to the provision or supply of such services;
- (b) the potential/actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of the projects, and the period of engagement/cooperation/business relationship with the Group; and/or
- (c) whether he/she/they is/are regarded as a valuable business connection of the Group based on his/her/their work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical knowhow, market competitiveness, synergy between him/her/them and the Group, external business connections, strategic value, and repute and credibility).

As such, the Board consider that the terms of the Scheme (including a wide scope of the external advisers or consultants) are in the interest of the Company and the Shareholders as a whole. The provisions of the Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

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

The New Share Option Scheme will be administered by the Board whose decision shall be final and binding on all parties. 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were a total of 711,928,875 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme will be 71,192,887 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date.

The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

Assuming no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of passing of the ordinary resolution of the proposed adoption of new share option scheme will be 711,928,875 and therefore, the new Scheme Mandate Limit under the Annual General Meeting would be 71,192,887 Shares, representing 10% of the number of shares in issue at the time of passing the ordinary resolution, in respect of which options may be granted under the New Share Option Scheme together with all outstanding options granted and yet to be exercised as at the Latest Practicable Date for an aggregate of 44,212,068 Shares which represent approximately 16.21% of the issued share capital of the Company and does not exceed the 30% limit as the the Latest Practicable Date.

Pursuant to the Rule 17.02(3) of the Listing Rules, the Board is encouraged to state the value of all share options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date.

The Board considers it inappropriate to disclose the value of share options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. 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 Board believes that any calculation of the value of share options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

LETTER FROM THE BOARD

Conditions precedent of the New Share Option Scheme

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

- (a) the passing of the necessary resolution to approve and adopt the New Share Option Scheme in general meeting or by way of written resolutions of the Shareholder(s), and to authorise the Board to grant the share options hereunder and to allot and issue the Shares pursuant to the exercise of the share options under the New Share Option Scheme; and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon the exercise any share options (initially up to the limit equal to 10% of the total number of Shares in issue as at the date of the general meeting of the Shareholders approving the New Share Option Scheme).

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

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 during normal business hours from the date of this circular up to and including the date of the Annual General Meeting; and (ii) at the venue of the Annual General Meeting on the date of the Annual General Meeting.

5. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 30 to 35 of this circular. A form of proxy for the Annual General Meeting is enclosed herewith. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with 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 and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

6. VOTING BY POLL

Pursuant to article 66 of the Articles of Association and Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. All resolutions put to the vote of the Annual General Meeting will therefore be decided by poll.

7. 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.

8. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate and the proposed adoption of 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 Annual General Meeting.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions which will be proposed at the Annual General Meeting.

Yours faithfully,
By order of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

(2) Mr. Tou Kin Chuen

Mr. Tou Kin Chuen, aged 44, was appointed as an independent non-executive Director on 22 July 2015. He is the principal of Roger K.C. Tou & Co.. Mr. Tou graduated from the Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) with a Honours Diploma in Accounting in 2001. He has over 19 years' experience in audit, taxation, company secretarial, insolvency and finance. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong. He is currently an independent non-executive director of Suncity Group Holdings Limited (formerly known as Sun Century Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1383), and Sun International Group Limited (formerly known as Sun International Resources Limited), the shares of which are listed on the GEM operated by the Stock Exchange (stock code: 8029).

Mr. Tou has renewed a letter of appointment in relation to his directorship with the Company for another term of one year commencing from 22 July 2020, subject to renewal and retirement by rotation and re-election pursuant to the Articles of Association. Mr. Tou as a Director was entitled to received an annual director's remuneration of HK\$200,000 which was determined by the Board with reference to his contributions, experience, relevant duties, responsibility and performance and the results of the Group and the recommendation of the Remuneration Committee of the Company.

As at the Latest Practicable Date and pursuant to Part XV of SFO, Mr. Tou did not have any interests in any Shares or underlying Shares.

Save as disclosed above, (i) Mr. Tou held no other directorships in listed public companies in Hong Kong or overseas in the last three years, nor he has any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company; and (ii) there is no information which is required to be disclosed under Rules 13.51(2)(h)-(v) of the Listing Rules, and there are no other matters relating to his re-election that need 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 requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARES IN ISSUE

As at the Latest Practicable Date, the total number of Shares in issue of the Company comprised 711,928,875 Shares.

Subject to the passing of the ordinary resolution set out in item 8 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 71,192,887 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date.

2. SHAREHOLDER APPROVAL

The Listing Rules provide that all proposed repurchases of securities by a company with primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of the particular transaction.

3. REASONS FOR SHARE REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Directors to repurchase the Shares on the market.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the laws of the Cayman Islands and any other applicable laws, as the case may be.

5. IMPACT OF REPURCHASE

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 2020) 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.

6. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or 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 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, none of the Shareholders are interested in more than 10% of the Shares then in issue.

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed, the Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. GENERAL

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

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or that they have undertaken not to sell any of the Shares held by them to the Company, in the event that the granting 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 Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Listing Rules prohibit the Company from knowingly repurchasing Shares on the Stock Exchange from a “**connected person**” (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her Shares to the Company.

8. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
April	0.181	0.06
May	0.274	0.155
June	0.151	0.130
July	0.361	0.121
August	0.165	0.103
September	0.137	0.099
October	0.126	0.101
November	0.147	0.113
December	0.260	0.115
2021		
January	0.25	0.19
February	0.29	0.195
March	0.31	0.25
April	0.275	0.223
May (up to the Latest Practicable Date)	0.24	0.212

9. REPURCHASE OF SHARES MADE BY THE COMPANY

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

A. NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it 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:

(i) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Participants 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.

(ii) Who may join

Subject to the provisions in the New Share Option Scheme, the Board shall be entitled at any time and from time to time within the period of 10 years after the date of adoption of the New Share Option Scheme to make an offer to any of the following classes of persons:

- (1) any employees (including full time and part time employee) of the Company or its subsidiaries;
- (2) any directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries;
- (3) any executive or officers of the Company or its subsidiaries;
- (4) any consultants or advisers that provides advices or other technological support which will contribute or have contributed to the Group.

The basis of eligibility of any of the Eligible Participants to the grant of share options shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group.

(iii) Maximum number of Shares

- (1) Notwithstanding anything to the contrary herein, the maximum number of Shares which may 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 schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.
- (2) The total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme unless the Company obtains the approval of the Shareholders in general meeting for refreshing the 10% limit (“**Scheme Mandate Limit**”) under the New Share Option Scheme provided that options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (3) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit such that the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit provided that options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as “refreshed”. For the purpose of seeking the approval of the Shareholders, a circular containing the information as required under the Listing Rules must be sent to the Shareholders.

- (4) The Company may seek separate approval of the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the proposed grantee(s) of such option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders, the Company must send a circular to the Shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of options serve such purpose and the information as required under the Listing Rules.

(iv) Maximum entitlement of each eligible person

No option shall be granted to any eligible person if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue, unless:

- (1) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the eligible person and his close associates shall abstain from voting;
- (2) a circular regarding the further grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible person, the number and terms of the options to be granted and options previously granted to such eligible person); and
- (3) the number and terms (including the subscription price) of such option are fixed before the general meeting of the Company at which the same are approved.

(v) Grant of options to connected persons

- (1) The grant of options to a Director, chief executive or Substantial Shareholder of the Company (“**Connected Person**”) or any of their respective associates requires the approval of all the independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee of the option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.
- (2) Where an option is to be granted to a Substantial Shareholder or an independent non-executive Director (or any of their respective associates), and such grant will 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: (1) exceeding 0.1% of the total number of Shares in issue at the relevant time of grant; (2) exceeding an aggregate value (based on the closing price of the Shares on the Stock Exchange on the date of each grant) of HK\$5 million, such grant shall not be valid unless (3) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective grantee of the option) to the independent Shareholders as to voting); and (4) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the grant.
- (3) Where any change is to be made to the terms of any option granted to a Substantial Shareholder or an independent non-executive Director (or any of their respective associates), such change shall not be valid unless the change has been approved by the Shareholders by way of poll in general meeting.

(vi) Time of acceptance and exercise of an option

An offer of grant of an option may be accepted by an eligible person within the date as specified in the offer letter issued by the Company, being a date not later than 21 Business Days from the date upon which it is made, by which the eligible person must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten years after the date of adoption of the New Share Option Scheme.

A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option. Such consideration shall in no circumstances be refundable. An option may be exercised in whole or in part by the grantee (or his legal personal representatives) at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than ten years commencing on the date of the offer letter and expiring on the last day of such ten-year period subject to the provisions for early termination as contained in the New Share Option Scheme.

(vii) Performance targets

Save as determined by the Board and provided in the offer of the grant of the relevant Options, there is no performance target that has to be achieved before the exercise of any option.

(viii) Subscription price for Shares

The subscription price of a Share in respect of any particular option granted under the New Share Option Scheme shall be a price determined by the Board and notified to an eligible person, and shall be at least the highest of: (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (the "Offer Date"), which must be a trading day on which the Board passes a resolution approving the making of an offer of grant of an option to an eligible employee; (2) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer letter of the option; and (3) the nominal value of a Share on the Offer Date.

(ix) Ranking of Shares

The Shares to be issued and allotted upon the exercise of an option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

(x) Restrictions on the time of grant of options

Grant of Options may not be made:

- (a) after inside information (as defined in the Listing Rules) has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the 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 Listing Rules); and
 - (ii) the deadline for the Company to publish 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 announcements.

No share options may be granted to Eligible Participant who is subject to the Model Code during the periods or times in which such Eligible Participant is prohibited from dealing in Shares pursuant to the Model Code.

(xi) Period of the New Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the New Share Option Scheme, after which period no further option shall be granted.

(xii) Rights on cessation of employment

Where the grantee of an outstanding option ceases to be an employee of the Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xxi)(e), the grantee can not exercise the option up to his entitlement at the date of cessation in whole or in part (to the extent which has become exercisable and not already exercised). The date of such cessation shall be his last actual working day at his work place with the Company or any Subsidiary whether salary is paid in lieu of notice or not.

(xiii) Rights on death

Where the grantee of an outstanding option dies before exercising the option in full or at all, the option may be exercised in full or in part (to the extent not already exercised) by his personal representative(s) within 12 months of the date of death.

(xiv) Rights on a general offer

In the event of 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 of the Company. If such offer becomes or is declared unconditional, 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 within 14 days after the date on which the offer becomes or is declared unconditional.

(xv) Rights on winding-up

In the event that a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all grantees (together with a notice of existence of this provision) and thereupon, each grantee (or his legal representative(s)) shall be entitled to exercise all or any of his options (to the extent which has become exercisable and not already exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

(xvi) Rights on compromise or arrangement between the Company and its creditors

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

(xvii) Reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any option has been granted and remains exercisable, whether by way of capitalisation of profit or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), the Company shall (if applicable) make corresponding alterations (if any), in accordance with the Listing Rules and any applicable guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time (including but not limited to the supplementary guidance issued on 5 September 2005) to:

- (1) the number and/or nominal amount of Shares subject to the options already granted so far as they remain exercisable; and/or
- (2) the subscription price; and/or

- (3) the maximum number of Shares referred to in paragraphs (iii) and (iv) above provided that:
- (aa) no such alteration shall be made in respect of an issue of Shares or other securities by the Company as consideration in a transaction;
 - (bb) any such alterations must be made so that each grantee is given the same proportion of the equity capital of the Company as that to which he was previously entitled;
 - (cc) no such alterations shall be made which would result in the subscription price for a Share being less than its nominal value; and
 - (dd) any such alterations, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors in writing to the Directors as satisfying the requirements of paragraphs (bb) and (cc) above.

(xviii) Cancellation of options

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant grantee and the prior approval of the Directors. Any cancellation of Options granted but not exercised and the issuance of new Options to the same grantee may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit referred to in paragraph (iii) above. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

(xix) Termination of the New Share Option Scheme

The Company, by ordinary resolution in general meeting may terminate the operation of the New Share Option Scheme and in such event no further option will be offered but in all other respects the provision of the New Share Option Scheme shall remain in full force and effect. Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(xx) Rights are personal to grantee

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any option.

(xxi) Lapse of option

The right to exercise an option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the period to be determined and notified by the Board to the grantee;
- (b) the expiry of the periods referred to in sub-paragraphs (xii) or (xiii);
- (c) the date on which the offer referred to in sub-paragraph (xiv) closes;
- (d) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (xvi);
- (e) the date on which the grantee ceases to be an eligible person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an eligible person, on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (f) subject to sub-paragraph (xv) above, the date of the commencement of the winding-up of the Company;
- (g) the date on which the grantee sells, transfers, charges, mortgages, encumbers or creates any interest (whether legal or beneficial) in favour of any third party over or in relation to any option or purport to do any of the foregoing in breach of the New Share Option Scheme; and
- (h) the date on which the Directors shall at their absolute discretion determine that the grantee (other than an eligible employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally. In such event, his options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(xxii) Alterations to the New Share Option Scheme

- (1) The New Share Option Scheme may be amended or altered in any respect to the extent allowed by the Listing Rules by resolution of the Board except that the following alteration must be approved by a resolution of the Shareholders in general meeting:
 - (aa) any changes to the terms and conditions of the New Share Option Scheme to the advantage of the grantees of the options;
 - (bb) any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature;
 - (cc) any change to the terms of options granted; and
 - (dd) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that: (aa) the amended terms of the New Share Option Scheme or the options must comply with Chapter 17 of the Listing Rules; and (bb) no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of grantees as shall together hold options in respect of not less than three-fourths in nominal value of all Shares then subject to the option granted under the New Share Option Scheme.
- (2) Notwithstanding the other provisions of the New Share Option Scheme, the New Share Option Scheme may be amended or altered in any respect by resolution of the Board without the approval of the Shareholders or the grantee(s) to the extent such amendment or alteration is required by the Listing Rules or any guidelines issued by the Stock Exchange from time to time.
- (3) The Company must provide to all grantees all details relating to changes in the terms of the New Share Option Scheme during the life of the New Share Option Scheme immediately upon such changes taking effect.

NOTICE OF ANNUAL GENERAL MEETING



MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing novel coronavirus (COVID-19) outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of Shareholders, staff and stakeholders, **the Company encourages Shareholders and those who could not attend the Annual General Meeting, instead of attending the Annual General Meeting in person, to appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting**, by completing and returning the form of proxy in accordance with the instructions printed thereon.

Shareholders and other persons attending the Annual General Meeting should note that, consistent with the government guidelines for the prevention and control of COVID-19, the Company will implement precautionary measures to reduce the risk of contracting and spreading of COVID-19 at the Annual General Meeting, including:

- (a) mandatory body temperature screening;
- (b) mandatory health declaration;
- (c) mandatory wearing of surgical face masks; and
- (d) no refreshments, no food and beverage service, no handing out of corporate gifts or gift coupons, and no eating or drinking is allowed in the Annual General Meeting venue.

For the safety of the attendees at the Annual General Meeting, the Company reserves the right to deny entry into or require any person to leave the Annual General Meeting venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; or
- (iv) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all Shareholders to minimize the risk of spreading COVID-19.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Milan Station Holdings Limited (the “**Company**”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Wednesday, 30 June 2021 at 4:30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries, the reports of the Directors of the Company and the auditors of the Company for the year ended 31 December 2020.
2. To re-elect Mr. Hu Bo as an Executive Director.
3. To re-elect Mr. Tou Kin Chuen as an Independent Non-executive Director.
4. To authorize the board of Directors to fix the remuneration of the Directors.
5. To re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company and to authorize the Board to fix the auditors’ remuneration.
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above 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 shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(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 of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of shares in issue of the Company on the date of the passing of 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 any applicable laws to be held or by the articles of association of the Company; 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.

“**Right 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 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 in any territory outside Hong Kong).”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of shares in issue of the Company as at the date of passing of 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 any applicable laws or the articles of association of the Company 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.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 6 and 7 of the notice convening the Meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the total 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 aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 8 of the Notice, provided that such amount shall not exceed 10% of the total number of shares in issue of the Company in issue on the date of the passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular dispatched to the shareholders on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the meeting and for the purpose of identification signed by the Chairman hereof (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted as at the date of passing this resolution and that the Directors be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including granting options under the New Share Option Scheme and to allot and issue Shares pursuant to the New Share Option Scheme, with the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the New Share Option Scheme or any other share option schemes adopted by the Company shall not exceed 10% of the total number of Shares in issue on the date of the passing of this resolution, and take all such steps as may be necessary or desirable to implement such New Share Option Scheme.”

By order of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

Hong Kong, 31 May 2020

As at the date of this notice, the Board comprises Mr. HU Bo and Mr. LI Zhongqi as Executive Directors; and Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. CHOI Kam Yan, Simon as Independent Non-executive Directors.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote on his behalf. 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. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
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 certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof (as the case may be). 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. The Register of Members of the Company will be closed from Wednesday, 23 June 2021 to Wednesday, 30 June 2021 (both days inclusive), during which period no transfer of shares in the Company will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the Meeting. In order to qualify for attending and voting at the Meeting, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 22 June 2021.