

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 you should take, you should consult an exchange participant or other securities dealer licensed as a licensed person under the SFO, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in **China SCE Group Holdings Limited**, you should at once hand this circular and the accompanying Election Form to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

No Shareholder receiving a copy of this circular or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for the Scrip Shares unless in that relevant territory such invitation could lawfully be made to that Shareholder without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.



CHINA SCE GROUP HOLDINGS LIMITED

中駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1966)

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2021**

If you wish to receive your Final Dividend wholly or partly in the form of Scrip Shares in lieu of cash, you should complete the Election Form in accordance with the instructions printed on it and return the completed Election Form to the Share Registrar as soon as possible so as to enable it to be received before the Closing Time.

15 July 2022

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	3
LETTER FROM THE BOARD	
Introduction	4
Details of the Scrip Dividend Scheme	5
Conditions of the Scrip Dividend Scheme	6
Advantages of the Scrip Dividend Scheme	6
Effects of the Scrip Dividend Scheme	6
Election Form	6
Overseas Shareholders	7
Listing of Scrip Shares and despatch of certificates	9
Odd lots	9
Responsibility Statement	9
Recommendation and advice	10
Miscellaneous	10

DEFINITIONS

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

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System
“Chairman”	the chairman of the Board
“Closing Time”	the closing time for the return of the completed Election Form to the Share Registrar, being 4:30 pm on Monday, 1 August 2022
“Company”	China SCE Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Election Form”	the form of election for use by Shareholders who wish to receive the Final Dividend wholly or partly in Scrip Shares in lieu of cash
“Final Dividend”	the Final Dividend of HK6 cents per Share for the year ended 31 December 2021 (with a scrip option) payable to Qualifying Shareholders
“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
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholders whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholders”	Shareholders whose names appear on the Register of Members on the Record Date

DEFINITIONS

“Record Date”	Friday, 8 July 2022, being the date for determining Shareholders’ respective entitlements to the Final Dividend
“Register of Members”	the register of members of the Company maintained by the Share Registrar in Hong Kong
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 30 March 2022 in relation to the Final Dividend pursuant to which the Qualifying Shareholders will be given the option to receive the Final Dividend wholly in cash, wholly in Scrip Shares in lieu of cash, or partly in cash and partly in Scrip Shares in lieu of cash
“Scrip Share(s)”	the new Share(s) to be allotted and issued and credited as fully paid up under the Scrip Dividend Scheme in lieu of cash payment for the Final Dividend upon election by the Qualifying Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Registrar”	the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

EXPECTED TIMETABLE

The timetable below sets forth the timeline of the major events under the Scrip Dividend Scheme:

Event	Date
Last date dealing in Shares on a cum-entitlement basis	Monday, 4 July 2022
Commencement of dealings in the Shares on an ex-entitlement basis	Tuesday, 5 July 2022
Latest time for lodging documents for transfer of Shares for registration in order to qualify for the Final Dividend	4:30 p.m. on Wednesday, 6 July 2022
Closure of the Register of Members for the purpose of determining Shareholders' respective entitlements to the Final Dividend	Thursday, 7 July 2022 to Friday, 8 July 2022
Record Date	Friday, 8 July 2022
Trading days for determining the market value of Scrip Shares (both days inclusive).....	Tuesday, 5 July 2022 to Monday, 11 July 2022
Despatch of circular with Election Form.....	Friday, 15 July 2022
Latest time for return of the Election Form to the Share Registrar (<i>Note 2</i>).....	4:30 p.m. on Monday, 1 August 2022
Despatch of certificates for the Scrip Shares and cheques for payment of the Final Dividend in cash	Wednesday, 24 August 2022
Expected first day of dealings in Scrip Shares	Thursday, 25 August 2022

Notes:

1. Reference to time and dates in this circular are to Hong Kong times and dates.
2. The Election Form should be completed and signed in accordance with the instructions printed thereon and returned to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 1 August 2022. If a Typhoon Signal No. 8 or above is hoisted or "extreme conditions" is caused by a super typhoon, or a Black Rainstorm Warning Signal is in force at or at any time prior to 4:30 pm on Monday, 1 August 2022, the Closing Time for return of the Election Form will be postponed. Further information is set out in the section headed "Election Form" in the "Letter from the Board" in this circular.



CHINA SCE GROUP HOLDINGS LIMITED

中駿集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1966)

Executive Directors:

Mr. Wong Chiu Yeung (*Chairman*)
Mr. Chen Yuanlai
Mr. Cheng Hiu Lok
Mr. Huang Youquan
Mr. Wong Lun

Registered office:

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

Independent non-executive Directors:

Mr. Ting Leung Huel Stephen
Mr. Lu Hong Te
Mr. Dai Yiyi

Principal place of business

in Hong Kong:
Room 2801, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

15 July 2022

To the Shareholders

Dear Sir or Madam

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2021**

INTRODUCTION

On 30 March 2022, the Board declared the Final Dividend which will be payable on or about Wednesday, 24 August 2022 to the Qualifying Shareholders. The Qualifying Shareholders will be given an option to receive the Final Dividend in cash, wholly in Scrip Shares in lieu of cash, or partly in cash and partly in Scrip Shares in lieu of cash under the Scrip Dividend Scheme. At the annual general meeting of the Company held on 24 June 2022, the declaration of the Final Dividend was approved by the Shareholders.

As announced on 30 March 2022, the Register of Members had been closed from Thursday, 7 July 2022 to Friday, 8 July 2022, during which no transfer of shares was registered. In order to qualify for the Final Dividend, all documents for transfer of Shares should have been lodged for registration with the Share Registrar no later than 4:30 p.m. on Wednesday, 6 July 2022.

LETTER FROM THE BOARD

The purpose of this circular is to set forth the details of the Scrip Dividend Scheme and the action(s) which should be taken by the Qualifying Shareholders thereunder.

DETAILS OF THE SCRIP DIVIDEND SCHEME

Options available to the Qualifying Shareholders

Under the Scrip Dividend Scheme, the Qualifying Shareholders have the option to receive the Final Dividend in one of the following manners:

- (a) wholly in cash;
- (b) wholly in Scrip Shares in lieu of cash; or
- (c) partly in cash and partly in Scrip Shares in lieu of cash.

The Final Dividend, if elected by the Qualifying Shareholders to be received in cash, will be paid in HK\$ regardless of the registered address of the Qualifying Shareholders as at the Record Date.

Market value

For the purpose of calculating the number of Scrip Shares to be allotted to each Qualifying Shareholder who elects to receive the Final Dividend wholly or partly in Scrip Shares in lieu of cash under the Scrip Dividend Scheme, the market value of each Scrip Share has been fixed at HK87.4 cents per Share (the “**Average Closing Price**”), being the average closing price per Share as quoted on the Stock Exchange for the five consecutive trading days from Tuesday, 5 July 2022 to Monday, 11 July 2022 (both days inclusive).

Basis of allotment

The number of Scrip Shares which each Qualifying Shareholder is entitled to receive in respect of its/his/her pro-rata entitlement to the number of the existing Shares registered under its/his/her name on the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{Scrip Shares} \\ \text{to be received} \end{array} = \begin{array}{l} \text{Number of Shares} \\ \text{held on Record Date} \\ \text{in respect of which} \\ \text{Final Dividend is} \\ \text{elected to be received} \\ \text{in Scrip Shares} \end{array} \times \frac{\text{HK6 cents (Final Dividend per Share)}}{\text{HK87.4 cents (Average Closing Price per Share)}}$$

The number of the Scrip Shares to be issued to each Qualifying Shareholder pursuant to its/his/her election will be rounded down to the nearest whole number. Any fractional entitlement to the Scrip Shares pursuant to such election will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares will be allotted by way of capitalisation of profits or reserves to the Qualifying Shareholders electing to receive new Shares in lieu of cash dividend. The Scrip Shares to be issued under the Scrip Dividend Scheme will, when

LETTER FROM THE BOARD

allotted and issued, rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Scrip Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid, except that the Scrip Shares themselves will not be entitled to the Final Dividend. The Scrip Shares, when allotted, are not renounceable. No new class of Shares will be issued under the Scrip Dividend Scheme.

CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Scrip Shares to be issued in respect of the Final Dividend.

If the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will be paid wholly in cash.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders elect to receive the Scrip Shares, in whole or in part in lieu of a cash dividend, such cash which would otherwise have been paid to the Shareholders will be retained for use as general working capital by the Company.

EFFECTS OF THE SCRIP DIVIDEND SCHEME

Based on the number of Shares in issue as at the Record Date, i.e. 4,222,133,380, if all Qualifying Shareholders elect to receive the Final Dividend wholly in cash, the total amount of cash dividend payable by the Company will be HK\$253,328,002.80. If all Qualifying Shareholders elect to receive Scrip Shares in lieu of cash, the number of Scrip Shares to be allotted and issued will be 289,848,973 Shares, representing approximately 6.86% of the number of Shares in issue as at the Record Date and approximately 6.42% of the number of Shares in issue as enlarged by the allotment and issue of the Scrip Shares.

Shareholders should note that the Scrip Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure obligations under Part XV of the SFO. Shareholders who are in doubt as to how these provisions may affect them as a result of the issue of the Scrip Shares are recommended to seek professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek professional advice.

ELECTION FORM

An Election Form is enclosed with this circular for use by the Qualifying Shareholders who wish to elect to receive the Final Dividend wholly in Scrip Shares in lieu of cash or partly in cash and partly in Scrip Shares in lieu of cash.

LETTER FROM THE BOARD

Qualifying Shareholders who wish to elect to receive Scrip Shares in lieu of cash in respect of the Final Dividend, whether in whole or in part, must complete and sign the Election Forms in accordance with the instructions printed thereon and return them to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 1 August 2022. No acknowledgement of receipt of the Election Forms will be issued.

If you do not complete the Election Form correctly and/or return the Election Form to the Share Registrar at the above address by the time stated above, you will be deemed to have elected to receive the Final Dividend wholly in cash.

Qualifying Shareholders who wish to receive the Final Dividend wholly in cash should not complete the Election Form.

The Closing Time will be postponed if a Typhoon Signal No. 8 or above is hoisted, or "extreme conditions" is caused by a super typhoon, or a Black Rainstorm Warning Signal is in force in Hong Kong:

- (a) at any time before 12:00 noon on Monday, 1 August 2022. In such a case, the Closing Time will be postponed to 5:00 p.m. on the same business day; or
- (b) at any time between 12:00 noon and 4:30 p.m. on Monday, 1 August 2022. In such a case, the Closing Time will be postponed to 4:30 p.m. on the next business day (excluding Saturday) where none of the above signals is hoisted or in force at any time between 9:00 a.m. and 4:30 p.m..

Where any Qualifying Shareholders submit any Election Forms without specifying the number of Shares in respect of which the Final Dividend is elected to be received in Scrip Shares in lieu of cash, or where the number of Shares in respect of which they elect to receive the Final Dividend in Scrip Shares in lieu of cash exceeds their registered shareholdings as at the Record Date, they will be deemed to have elected to receive the Final Dividend wholly in Scrip Shares in lieu of cash in respect of all the Shares of which they were the registered holders as at the Record Date.

OVERSEAS SHAREHOLDERS

Based on the Register of Members, there were Overseas Shareholders as at the Record Date which were Shareholders whose addresses as shown in the Register of Members were in the PRC. In accordance with Rule 13.36(2) of the Listing Rules, the Company has made enquiries with its legal adviser as to the laws of the PRC regarding the legal restrictions under the laws of the PRC and the requirements of the regulatory bodies or stock exchanges in the PRC in respect of the participation of the above Overseas Shareholders in the Scrip Dividend Scheme. The Directors have decided that it would not be necessary or expedient for the Company to exclude the above Overseas Shareholders from participating in the Scrip Dividend Scheme on account of the above restrictions or requirements under the PRC laws. In view of the above, no Overseas Shareholders will be excluded from participating in the Scrip Dividend Scheme and the Election Form will be sent to each of the Overseas Shareholders together with this circular.

LETTER FROM THE BOARD

PRC Southbound Trading Investors

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (<https://www.hkexnews.hk>), as at the Record Date, 194,063,805 Shares of the Company, representing approximately 4.59% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”). Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 17 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who hold shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of its/his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such intermediary in relation to the election to receive the Scrip Shares.

Notwithstanding the enquiries made by the Company with its legal adviser, any Qualifying Shareholders with a registered addresses outside Hong Kong or otherwise residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Scrip Shares under the Scrip Dividend Scheme, the taxation consequences of their decision and whether there are any restrictions in relation to future sale of any Scrip Shares. It is the responsibility of the Qualifying Shareholders who wish to receive the Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including but not limited to obtaining all necessary governmental or other regulatory consents or other similar formalities. Overseas Shareholders who receive Scrip Shares under the Scrip Dividend Scheme must also comply with any restrictions on the trading of the Scrip Shares which may apply to them.

This circular and the accompanying Election Form have not been, and will not be, registered or filed under any securities laws, legislation and/or regulation of any jurisdiction. Participation in the Scrip Dividend Scheme by the Overseas Shareholders may be affected by the laws of their relevant jurisdictions. No Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory, such invitation could lawfully be made to it/him/her without the Company having to comply with any prospectus, registration or other legal or regulatory requirements or procedures, or any other similar formalities. Qualifying Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular for information only.

LETTER FROM THE BOARD

LISTING OF SCRIP SHARES AND DESPATCH OF CERTIFICATES

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued under the Scrip Dividend Scheme. Subject to such approval being granted, the commencement of dealings in the Scrip Shares on the Stock Exchange is expected to be on or about Thursday, 25 August 2022 and thereupon the Scrip Shares will be accepted as eligible securities for deposit, clearance and settlement on CCASS.

It is expected that the certificates for the Scrip Shares (which, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue as at the date of the allotment and issue of the Scrip Shares) and cheques for payment of the Final Dividend in cash will be sent by ordinary mail to Shareholders at their own risk on or about Wednesday, 24 August 2022. All certificates for the Scrip Shares are non-renounceable.

The Shares are listed, and dealt in, on the Stock Exchange. No securities of the Company are listed or dealt in on any other stock exchange and the Company is not currently seeking and does not currently propose to seek the listing of or the permission to deal in its securities on any other stock exchange.

ODD LOTS

Scrip Shares issued to the Qualifying Shareholders pursuant to an election under the Scrip Dividend Scheme may be allocated in odd lots, i.e. Shares not sufficient to constitute a full board lot of 1,000 Shares. No special arrangements will be put in place by the Company to facilitate the top-up, trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

The Directors are of the view that, given that minimal odd lots are expected to be created as a result of the Scrip Dividend Scheme and that matching of odd lots is not guaranteed even if the Company engages an agent to facilitate for this purpose, it would not be cost effective or be in the interest of the Company and its Shareholders as a whole for the Company to allocate additional costs to put in place any special arrangement to facilitate the top-up, trading or disposal of odd lots.

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.

LETTER FROM THE BOARD

RECOMMENDATION AND ADVICE

Whether it is to the Qualifying Shareholders' advantage to elect to receive the Final Dividend wholly or partly in Scrip Shares in lieu of cash depends on each individual Qualifying Shareholder's own circumstances. The decision in this regard and all effects (including any tax implication) resulting therefrom are the sole responsibility of each Qualifying Shareholder and the Company does not accept any responsibility in respect thereof. If you are in any doubt as to what to do, you should consult an exchange participant or other licensed securities dealer, bank manager, solicitor, certified public accountant or other professional adviser.

Qualifying Shareholders who are trustees are recommended to seek professional advice as to whether it is within their powers to elect to receive the Final Dividend in Scrip Shares and as to its effects having regard to the terms of the relevant trust instruments.

MISCELLANEOUS

In the event of any inconsistency, the English text of this circular and the Election Form shall prevail over the Chinese text.

Yours faithfully,
By order of the Board
China SCE Group Holdings Limited
Wong Chiu Yeung
Chairman