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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 your stockbrokers or other licensed securities dealers, bank managers, solicitors, professional accountants or other professional advisers.

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 form of proxy to the purchaser(s) or the transferee(s) or to the banks, stockbrokers or licensed securities dealers or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 4:30 p.m. on Tuesday, 30 May 2023 is set out on pages 28 to 29 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e., at or before 4:30 p.m. on Sunday, 28 May 2023 (Hong Kong time)) or any adjournment thereof. Delivery of the form of proxy shall not preclude you from attending and voting at the EGM and in such event, the form of proxy shall be deemed to be revoked.

15 May 2023

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DEFINITIONS

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

“2018 Share Option Scheme”	the existing share option scheme of the Company approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 23 April 2018
“2023 Share Option Scheme”	the share option scheme of the Company proposed to be approved and adopted by the Shareholders at the EGM
“Articles of association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 4:30 p.m. on Tuesday, 30 May 2023, the notice of which is set out on pages 28 to 29 of this circular, and any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Committee”	the listing sub-committee of the Directors of the Stock Exchange elected or appointed in accordance with the Articles of Association of the Stock Exchange and, where the context so permits, any committee or sub-committee thereof

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for Shares to be granted under the 2023 Share Option Scheme
“Remuneration Committee”	the remuneration committee of the Board
“Senior Manager”	a senior manager disclosed from time to time in the Company’s annual report as required under paragraph 12 of Appendix 16 to the Listing Rules (as may be amended from time to time)
“Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Award Scheme”	a scheme adopted or to be adopted by the Company involving the grant of new Shares by the Company
“Share Scheme”	collectively, the 2023 Share Option Scheme and the Share Award Scheme(s), if any
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



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 May 2023

To the Shareholders

Dear Sir or Madam

**TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the ordinary resolution to be proposed at the EGM in relation to the termination of the 2018 Share Option Scheme and the approval and adoption of the 2023 Share Option Scheme and to give you notice of the EGM.

BACKGROUND

The 2018 Share Option Scheme was approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 23 April 2018. The total number of Shares that may be allotted and issued upon exercise of the options that may be granted under the 2018 Share Option Scheme and any other share option scheme of the Company is 382,384,000 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the 2018 Share Option Scheme. As at

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the Latest Practicable Date, options to subscribe for 382,000,000 Shares had been granted by the Company under the 2018 Share Option Scheme and the scheme mandate limit of the 2018 Share Option Scheme had been largely utilised.

In addition, it is noted that Chapter 17 of the Listing Rules which contains provisions governing, among others, the share option schemes of listed issuers has been amended with effect from 1 January 2023.

To enable the Company to make further grants of share options to eligible participants as and when appropriate to motivate them to make continuous contribution to the development of the Group, the Board has proposed the 2023 Share Option Scheme for approval and adoption by the Shareholders at the EGM. Moreover, to ensure that all share scheme(s) of the Company will be in line with the prevailing requirements under the Listing Rules and for ease of administration and compliance, it is proposed that the existing 2018 Share Option Scheme should be terminated upon adoption of the 2023 Share Option Scheme.

TERMINATION OF THE 2018 SHARE OPTION SCHEME

Adopted on 23 April 2018, the 2018 Share Option Scheme shall remain in force for a period of 10 years from the adoption date, i.e. until 22 April 2028. Pursuant to the provisions of the 2018 Share Option Scheme, the Company may by resolution at general meeting at any time terminate the operation of the 2018 Share Option Scheme, and in such an event no further share options may be offered under the 2018 Share Option Scheme but in all other respects the provisions of the 2018 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2018 Share Option Scheme, and the share options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2018 Share Option Scheme. Accordingly, a resolution will be proposed at the EGM to terminate the 2018 Share Option Scheme upon adoption of the 2023 Share Option Scheme, such that the Company will not have any effective share scheme that is inconsistent with the prevailing requirements under the Listing Rules, and can administer its share scheme(s) and monitor compliance with the applicable requirements will greater ease and efficiency.

As at the Latest Practicable Date, options to subscribe for 382,000,000 Shares had been granted by the Company under the 2018 Share Option Scheme. Such share options were granted by the Company on 12 December 2018. None of these share options had lapsed in accordance with the provisions of the 2018 Share Option Scheme since the date of grant, and among them, options to subscribe for 286,000,000 Shares remained outstanding as at the Latest Practicable Date.

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The table below set forth further details of the share options granted under the 2018 Share Option Scheme outstanding as at the Latest Practicable Date:

Name or category of participants	Date of grant	Vesting date	Exercise period	Exercise price per Share	Balance as at the Latest Practicable Date
Director					
Mr. Huang Youquan	12 December 2018	1 July 2020	From 1 July 2020 to 11 December 2028	HK\$2.78	16,000,000
Employees of the Group					
	12 December 2018	1 July 2019	From 1 July 2019 to 11 December 2028	HK\$2.78	135,000,000
	12 December 2018	1 July 2020	From 1 July 2020 to 11 December 2028	HK\$2.78	135,000,000
Sub-total					<u>270,000,000</u>
Total					<u><u>286,000,000</u></u>

The Board confirms that it will not grant any further share option under the 2018 Share Option Scheme prior to the EGM.

Other than the 2018 Share Option Scheme, the Company had not adopted any share option scheme or share award scheme as at the Latest Practicable Date. Save as disclosed above, there was no outstanding option, warrant or convertible security that entitled the holder to subscribe for Shares as at the Latest Practicable Date.

Upon termination of the 2018 Share Option Scheme, the Company may not grant any further share option under the 2018 Share Option Scheme, but the share options outstanding as at the Latest Practicable Date as disclosed above will continue to be governed by and be valid and exercisable in accordance with the provisions of the 2018 Share Option Scheme. Further details of the 2018 Share Option Scheme and the provisions it contains are set forth in the circular of the Company dated 4 April 2018.

ADOPTION OF THE 2023 SHARE OPTION SCHEME

A resolution will be proposed at the EGM to approve and adopt the 2023 Share Option Scheme such that the Company can make further grants of share options to eligible participants as and when appropriate to motivate them to make continuous contribution to the development of the Group notwithstanding the largely full utilisation of the previous scheme mandate limit granted by the Shareholders to which the grant of share options under the 2018 Share Option Scheme is subject.

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A summary of the principal terms of the 2023 Share Option Scheme is set out in the Appendix to this circular. The full provisions of the 2023 Share Option Scheme will be (i) published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sce-re.com) for the period from the date of this circular and up to and including the date of the EGM, which period is not less than 14 days before the date of the EGM as required under Rule 17.02(2) of the Listing Rules; and (ii) available for inspection at the venue of the EGM on the date of the EGM.

Terms of the 2023 Share Option Scheme

The purposes of the 2023 Share Option Scheme are (i) to enable the Company to grant Options to the eligible participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Group. In particular,

- the eligible participants whom the Board may invite to take up Options under the 2023 Share Option Scheme include employee participants, i.e. employees (whether full time or part time, and including directors) of the Company or any of its subsidiaries (including persons who are granted Options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with these companies).

The eligibility of an employee to the offer of Options shall be determined by the Board from time to time on a case-by-case basis based on its opinion as to his actual performance at work and previous and potential future contribution to the development and growth of the Group, taking into account, among others, his role, position and job duties and the prevailing circumstances and business needs of the Group at the relevant times;

- a grantee may exercise the Options granted to him and subscribe for the Shares only, among others, on or after the vesting date. The vesting period in respect of an Option, which shall commence on the date on which the grantee accepts the offer of the Option and end on the vesting date, shall not be shorter than 12 months from the date of acceptance of the offer.

The Remuneration Committee (where the grantee is a Director or a Senior Manager) or the Board (where the grantee is any other type of employee participant) may set a shorter vesting period if it is considered that a shorter vesting period is appropriate to align the grant with the purpose of the 2023 Share Option Scheme, including *only* grants:

- (i) of “make-whole” Options to employee participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;

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- (ii) to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) of Options with performance-based vesting conditions provided in the 2023 Share Option Scheme, in lieu of time-based vesting criteria; and
- (iv) that are made in batches during a year for administrative and compliance reasons, which may include Options that should have been granted earlier but are actually granted on a subsequently together with some other Options as a batch; in this case, the vesting date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative and compliance reasons.

The Board and the Remuneration Committees consider that each of the above constitutes an exceptional circumstance where a shorter vesting period is warranted. In particular, a shorter vesting period provides fairness under scenario (i) and is a show of care under scenario (ii), and the Company, as a considerate employer, will thus inspire respect and devotion from its employees. In addition, the Company will, under scenario (iii), be able to flexibly structure the vesting mechanisms of particular Options granted having regard to the specific nature of the roles, positions and job duties of the relevant grantees and the prevailing circumstances and business needs of the Group at the relevant times, thereby ensuring that the relevant grantees are most effectively incentivised to stay with the Group and make further contribution; under scenario (iv), the Company will also enjoy greater administrative efficiency in operating the 2023 Share Option Scheme which will help further the attainment of the purposes of the scheme. Hence, such arrangements, with the flexibility they bring to the Company, align with the purposes of the 2023 Share Option Scheme;

- the Remuneration Committee (where the grantee is a Director or a Senior Manager) or the Board (where the grantee is any other type of employee participant) may establish performance target(s) the attainment of which shall be a precondition for any exercise of the Options granted to the grantee concerned. The Board shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance target(s) during an option period if there is any change in circumstances.

The performance target(s) to be attached to an Option should take such a form as the Remuneration Committee (or, as the case may be, the Board) may consider appropriate having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates. Such performance targets may be set in terms of sales, revenue, cash flow, cash collection, funding costs, returns on investment, number of instances of commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant grantee as the Remuneration Committee (or, as the case may be, the Board) may determine from time to time.

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The Remuneration Committee (or, as the case may be, the Board) will conduct assessment at the end of the actual performance period by comparing the performance of the relevant business segment(s) and/or (as the case may be) the actual individual performance of the relevant grantee with the pre-determined target level(s) to determine whether or to what extent the target(s) has(have) been met, with reference to the position and role of the relevant grantee in the Group to ensure a fair and objective assessment.

An Option shall not be exercisable until, among others, the Remuneration Committee (or, as the case may be, the Board) have determined that the performance target(s) attached thereto has(have) been attained. In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained, the Option shall never become exercisable and shall lapse forthwith;

- the Board may further provide in the notice of offer that any Option prior to it being exercised may be subject to clawback or a longer vesting period if any of the following clawback events shall occur during the option period:
 - (i) there being any material misstatement in the audited consolidated financial statements of the Company that requires a restatement; or
 - (ii) the grantee being guilty of fraud or any other form of persistent or serious misconduct; and
 - (iii) where performance target(s) has(have) been attached to the Options, the Board being of the opinion that there exists any circumstance which shows that any of the prescribed performance targets has been set in a materially inaccurate manner or that leads to any of the prescribed performance targets being irrelevant, inapplicable or inappropriate.

In any such event, the Board may by notice in writing to the grantee concerned

- (aa) claw back such number of Options granted to the grantee (to the extent not already exercised) as the Board may consider appropriate; and/or
- (bb) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options granted to the grantee (to the extent not already exercised) to such a longer period as the Board may consider appropriate; and
- the price per Share at which a grantee may subscribe for the Share on the exercise of an Option shall be determined at the discretion of the Board, provided that it must be at least the highest of:
 - (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day;

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- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of a Share.

Under the 2023 Share Option Scheme, Options may be offered by the Board to such employees as it may from time to time at its discretion determine on a case by case basis. Any such offer of Options is in itself a formal and official recognition of, and a show of appreciation for, the dedication and excellence the relevant grantees have demonstrated and delivered in their respective positions, and such rewards could help increase their loyalty to the Group and motivate to contribute further to the development and growth of the Group. In addition, the Board is given the authority to determine the terms and conditions in respect of the Options that may be granted, and any exercise of the Options will be subject to, among others, fulfilment of such terms and conditions, including particularly the occurrence of the vesting date (which shall not be less than 12 months from the date of acceptance of the offer unless under exceptional circumstances) and the attainment of the performance target(s) specified. Such arrangements will serve to incentivise the grantees to continue to service the Group over a relatively long term and deliver quality performance. The mechanism in place for clawback of the Options granted in events such as serious misconduct or material misstatement in the Company's financial statements will provide effective deterrence against undesirable behaviour by the grantees at or outside work and safeguard the value of the Group. As the subscription price at which the grantees can exercise the Options offered is benchmarked against the prevailing market price of the Shares on or around the offer date, the grantees, who as directors and employees of the Group can exert direct influence on the formulation of strategies and the business operations of the Group, will be encouraged to stay with the Group and strive for continuous improvement in the Group's operational and financial performances and growth in share price, such that they will be able to reap rewards from exercise of the Options granted. Upon exercise of the Options, the grantees, as then Shareholders themselves, will have the opportunity to share the results achieved by the Group and be rewarded for their effort at work, and they will therefore have added incentives to work towards continuous improvements in business performance, sound corporate governance and sustainable growth of the Group. All of the above, collectively, will cause the grantees to have aligned interests with the Shareholders to drive the Group towards long-term growth. Accordingly, the Directors consider that the provisions of the 2023 Share Option Scheme can effectively serve the purposes of the scheme and it is in the interest of the Company to adopt the 2023 Share Option Scheme.

Operation of the 2023 Share Option Scheme

The 2023 Share Option Scheme will be administered by the Board. None of the Directors is a trustee of the 2023 Share Option Scheme or has any direct or indirect interest in such trustee (if any). With respect to the operation of the 2023 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules from time to time.

LETTER FROM THE BOARD

The Company has sought legal advice on the applicability of the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Ordinance**”). As advised by the Hong Kong legal advisers of the Company, the Directors understand that as the offer of Options under the 2023 Share Option Scheme will only be made by the Company to employees (including directors) of the Company or any of its subsidiaries on the terms that the only persons who can exercise the Options and accordingly subscribe for the Shares will be the grantees themselves, this circular containing details of and relating to such an offer does not fall within the definition of a “prospectus” and is not subject to the prospectus requirements under the Ordinance. The Board will ensure that the applicable requirements under the Ordinance will be fully complied with when administering the 2023 Share Option Scheme.

If the 2023 Share Option Scheme is approved and adopted by the Shareholders at the EGM, taking into account the number of Shares in issue as at the Latest Practicable Date of 4,222,986,126 and assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the date of the EGM, a total of 422,298,612 Shares may be issued in respect of all Options that may be granted under the 2023 Share Option Scheme and all options and awards that may be granted under any other Share Scheme(s), representing approximately 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme. Alternatively, if all the existing outstanding share options have been exercised in full and Shares in respect of such share options have issued prior to the date of the EGM, assuming that there will be no further change in the issued share capital of the Company from the Latest Practicable Date up to and including the date of the EGM, the total number of Shares in issue as at the date of the EGM will be 4,508,986,126. In this case, a total of 450,898,612 Shares may be issued in respect of all Options that may be granted under the 2023 Share Option Scheme and all options and awards that may be granted under any other Share Scheme(s), representing approximately 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme.

Subject to adoption of the 2023 Share Option Scheme, the Company may seek approval of the Shareholders at a general meeting for refreshing the above scheme mandate limit, or for granting Options under the 2023 Share Option Scheme beyond the above scheme mandate limit or (if applicable) the refreshed limit, provided that all applicable requirements specified in the provisions of the 2023 Share Option Scheme and the Listing Rules are complied with.

Conditions precedent of the 2023 Share Option Scheme

The 2023 Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the scheme mandate limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme; and
- (b) the passing of the necessary resolution(s) to approve and adopt the 2023 Share Option Scheme at a general meeting of the Company or by way of written resolution(s) of all Shareholders.

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Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such number of Shares representing the scheme mandate limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme.

ACTIONS TO BE TAKEN

Set out on pages 28 to 29 of this circular is a notice convening the EGM at which an ordinary resolution will be proposed to terminate the 2018 Share Option Scheme and to approve and adopt the 2023 Share Option Scheme.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e., at or before 4:30 p.m. on Sunday, 28 May 2023 (Hong Kong time)) or any adjournment thereof. Delivery of the form of proxy shall not preclude you from attending and voting at the EGM and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

To the best of the information of the Directors after making reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules for any resolution proposed to be adopted at the EGM.

The resolution set out in the notice of the EGM will be decided by poll. In accordance with the Listing Rules, the chairman of the EGM may, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will explain the detailed procedures for conducting a poll at the EGM.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he or it is the holder.

After the conclusion of the EGM, the poll results will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sce-re.com).

RECOMMENDATIONS

The Board considers that the ordinary resolution in relation to the termination of the 2018 Share Option scheme and the approval and adoption of the 2023 Share Option Scheme to be proposed at the EGM is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the resolution at the EGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

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

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.

MISCELLANEOUS

In the event of any inconsistency between the English version and the Chinese version of this circular, the English version shall prevail for the purpose of interpretation.

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

This appendix summaries the principal terms of the 2023 Share Option Scheme and does not form, nor is intended to be, part of the 2023 Share Option Scheme nor should it be taken as affecting the interpretation of the provisions of the 2023 Share Option Scheme.

THE 2023 SHARE OPTION SCHEME

The following is a summary of the principal terms of the 2023 Share Option Scheme proposed to be approved and adopted by an ordinary resolution of the Shareholders at the EGM.

1. Purposes of the scheme

The purposes of the 2023 Share Option Scheme are (i) to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Group.

2. Participants of the scheme and basis of determination of eligibility

The Board shall, in accordance with the provisions of the 2023 Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time during the scheme life to make an offer of Options to any person belonging to the following class of participants (the “**Eligible Participants**”) to subscribe for such number of Shares as the Board shall determine: employees (whether full time or part time, and including directors) of the Company or any of its subsidiaries (including persons who are granted Options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with these companies) (the “**Employee Participants**”).

The eligibility of an employee to the offer of Options shall be determined by the Board from time to time on a case-by-case basis based on its opinion as to his actual performance at work and previous and potential future contribution to the development and growth of the Group, taking into account, among others, his role, position and job duties and the prevailing circumstances and business needs of the Group at the relevant times.

3. Maximum number of Shares

- (a) The maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the 2023 Share Option Scheme and all options and awards to be granted under any other Share Scheme(s) (the “**Scheme Mandate Limit**”) shall not exceed 10 per cent. of the number of Shares in issue as at the date of approval of the 2023 Share Option Scheme. Options that have lapsed in accordance with the terms of the 2023 Share Option Scheme and options and awards that have lapsed in accordance with the terms of any other Share Scheme(s) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Unless expressly approved by the Shareholders at a general meeting and expressly allowed by the Stock Exchange, no Option may be granted under the 2023 Share

Option Scheme and no option or award may be granted under any other Share Scheme(s) if such a grant will result in the limit referred to in this paragraph being exceeded.

- (b) Subject to paragraph 3(a) above and without prejudice to paragraph 3(c) below, the Company may seek approval of the Shareholders at a general meeting for refreshing the Scheme Mandate Limit under the 2023 Share Option Scheme, provided that
- (i) the total number of Shares which may be allotted and issued in respect of all Options to be granted under the 2023 Share Option Scheme and all options and awards to be granted under any other Share Scheme(s) under the scheme mandate as refreshed must not exceed 10 per cent. of the Shares in issue as at the date of approval of the refreshed scheme mandate; and
 - (ii) where the refreshment of the Scheme Mandate Limit is sought within three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of the 2023 Share Option Scheme),
 - (A) at a general meeting for considering and approving the resolution proposed in respect of such refreshment, the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution(s). Alternatively, they may vote against the relevant resolution(s) at the general meeting provided that their intention to do so has been stated in the relevant circular to Shareholders; and
 - (B) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing),
- provided that the requirements under this paragraph 3(b)(ii) shall not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (c) Subject to paragraph 3(a) above and without prejudice to paragraph 3(b) above, the Company may seek separate Shareholders' approval at a general meeting for granting Options under the 2023 Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 3(b) above to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of the Options to be granted to such participants must be

fixed before Shareholders' approval. In respect of any such Option to be granted, the date of the board meeting for proposing such an offer should be taken as the offer date for the purpose of calculating the Subscription Price (as defined below).

4. Maximum entitlement of each participant

Subject to paragraph 5(b) below, where any offer of Options to an Eligible Participant under the 2023 Share Option Scheme would result in the Shares issued and to be issued in respect of all Options granted to the Eligible Participant under the 2023 Share Option Scheme and all options and awards granted to the Eligible Participant under any other Share Scheme(s) (excluding all Options that have lapsed in accordance with the terms of the 2023 Share Option Scheme and all options and awards that have lapsed in accordance with the terms of any other Share Scheme(s)) in the 12-month period up to and including the offer date representing in aggregate over 1 per cent. of the total number of Shares in issue (the "**1% Individual Limit**"), such an offer must be separately approved by the Shareholders at a general meeting with the Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person of the Company) abstaining from voting. The number and terms of Options to be granted to the Eligible Participant must be fixed before Shareholders' approval. In respect of any such Option to be granted, the date of the board meeting for proposing such an offer should be taken as the offer date for the purpose of calculating the Subscription Price.

5. Grant of options to connected persons

- (a) Without prejudice to paragraph 5(b) below, the offer of Options to any Director, chief executive or substantial shareholder of the Company or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options). The requirements applicable to the offer to a Director or chief executive of the Company set out in this paragraph do not apply where options are proposed to be granted to a proposed Director or proposed chief executive of the Company.
- (b) Without prejudice to paragraph 5(a) above, where any offer of Options to an Eligible Participant who is an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates under the 2023 Share Option Scheme would result in the Shares issued and to be issued in respect of all Options granted under the 2023 Share Option Scheme and all options and awards granted under any other Share Scheme(s) (excluding all Options that have lapsed in accordance with the terms of the 2023 Share Option Scheme and all options and awards that have lapsed in accordance with the terms of any other Share Scheme(s)) to such a person in the 12-month period up to and including the offer date representing in aggregate over 0.1 per cent. of the total number of Shares in issue, such an offer must be approved by the Shareholders at a general meeting. The Eligible Participant, his associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution(s) at the general

meeting; alternatively, they may vote against the relevant resolution(s) at the general meeting provided that their intention to do so has been stated in the relevant circular to Shareholders. In this connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing). The number and terms of the Options to be granted to the Eligible Participant must be fixed before the general meeting. In respect of any such Option to be granted, the date of the board meeting for proposing such an offer should be taken as the offer date for the purpose of calculating the Subscription Price.

6. Acceptance of Options

An offer of Options shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares, the option period and the vesting period in respect of which the offer is made and further requiring the Eligible Participant to undertake to hold the Options on the terms on which it is to be granted and to be bound by the provisions of the 2023 Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the offer date.

An offer shall have been accepted by an Eligible Participant in respect of all the Options which are offered to such an Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). The offer may also be accepted by the Eligible Participant in respect of part only of the Options which are offered to the Eligible Participant, provided that the number of Options accepted is clearly stated in the duplicate letter signed and returned to the Company. Such remittance shall in no circumstances be refundable. The date on which the duplicate letter and the remittance are actually received by the Company shall be the date of acceptance of such Options for the purpose of determining the vesting period under paragraph 7 below.

Upon an offer being accepted by an Eligible Participant in whole or in part in accordance with the above, the Options to subscribe for the number of Shares in respect of which the offer has been so accepted will be deemed to have been granted by the Company to such an Eligible Participant on the offer date. To the extent that the offer is not accepted within the time specified in the offer in accordance with the above, it will be deemed to have been irrevocably declined.

7. Vesting date and vesting period

A grantee may exercise the Options granted to him and subscribe for the Shares on or after the vesting date, subject to the attainment of the performance target(s) attached to the Options as determined by the Remuneration Committee (or, as the case may be, the Board) under paragraph 8(b) below and other conditions imposed under the provisions of the 2023 Share Option Scheme.

The vesting period in respect of an Option, which shall commence on the date on which the grantee accepts the offer of the Option and end on the vesting date, shall not be shorter than 12 months from the date of acceptance of the offer, provided that:

- (a) where the grantee is an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the Remuneration Committee shall; or
- (b) where the grantee is an Employee Participant who is neither a Director nor a Senior Manager specifically identified by the Company, the Board shall

have the authority to set a shorter vesting period if the Remuneration Committee, or, as the case may be, the Board, considers that a shorter vesting period is appropriate to align the grant with the purpose of the 2023 Share Option Scheme, including *only* grants:

- (i) of “make-whole” Options to Employee Participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (ii) to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) of Options with performance-based vesting conditions provided in the 2023 Share Option Scheme, in lieu of time-based vesting criteria; and
- (iv) that are made in batches during a year for administrative and compliance reasons, which may include Options that should have been granted earlier but are actually granted on a subsequently together with some other Options as a batch; in this case, the vesting date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative and compliance reasons.

8. Performance target and clawback mechanism

- (a) Subject to the terms and conditions of the 2023 Share Option Scheme,
 - (i) in respect of any Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may; or
 - (ii) in respect of any other Employee Participant, the Board may

establish performance target(s) the attainment of which shall be a precondition for any exercise of the Options granted to the grantee concerned. The Board shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance target(s) during an option period if there is any change in circumstances.

- (b) The performance target(s) to be attached to an Option should take such a form as the Remuneration Committee (or, as the case may be, the Board) may consider appropriate having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or

otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates. Such performance targets may be set in terms of sales, revenue, cash flow, cash collection, funding costs, returns on investment, number of instances of commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant grantee as the Remuneration Committee (or, as the case may be, the Board) may determine from time to time.

The Remuneration Committee (or, as the case may be, the Board) will conduct assessment at the end of the performance period by comparing the actual performance of the relevant business segment(s) and/or (as the case may be) the actual individual performance of the relevant grantee with the pre-determined target level(s) to determine whether or to what extent the target(s) has(have) been met, with reference to the position and role of the relevant grantee in the Group to ensure a fair and objective assessment, and such decisions of the Remuneration Committee (or, as the case may be, the Board) shall be final, conclusive and binding on all persons who may be affected thereby.

An Option shall not be exercisable until the Remuneration Committee (or, as the case may be, the Board) has determined that the performance target(s) attached thereto has(have) been attained, subject further to the occurrence of the Vesting Date and other conditions imposed under the provisions of the 2023 Share Option Scheme. In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained, the Option shall never become exercisable and shall lapse forthwith.

- (c) Notwithstanding the terms and conditions of the 2023 Share Option Scheme, the Board may provide in the notice of offer that any Option prior to it being exercised may be subject to clawback or a longer vesting period if any of the Clawback Events (as defined below) stated in paragraph 8(d) below shall occur.
- (d) In respect of Options granted to a particular grantee, if any of the following events (the “**Clawback Event**”) shall occur during the option period:
 - (i) there being any material misstatement in the audited consolidated financial statements of the Company that requires a restatement; or
 - (ii) the grantee being guilty of fraud or any other form of persistent or serious misconduct; and
 - (iii) where performance target(s) has(have) been attached to the Options, the Board being of the opinion that there exists any circumstance which shows that any of the prescribed performance targets has been set in a materially inaccurate manner or that leads to any of the prescribed performance targets being irrelevant, inapplicable or inappropriate,

the Board may by notice in writing to the grantee concerned

- (aa) claw back such number of Options granted to the grantee (to the extent not already exercised) as the Board may consider appropriate; and/or
- (bb) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options granted to the grantee (to the extent not already exercised) to such a longer period as the Board may consider appropriate.

The Options that are clawed back pursuant to the above will be regarded as cancelled, and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

9. Exercise of Option

Subject to, among others, fulfilment of all terms and conditions set out in the offer, including, among others, the attainment of the performance target(s) attached to the Options stated therein (if any) as determined by the Remuneration Committee (or, as the case may be, the Board) under paragraph 8(b) above and the occurrence of the vesting date, a grantee may exercise the Options granted to him at any time(s) during the option period by giving notice in writing to the Company stating that the Options are thereby exercised and the number of Shares in respect of which they are so exercised (which, except where the number of Shares in respect of which the Options remain unexercised is less than one board lot or where the Options are exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Save as otherwise specified in the provisions of the 2023 Share Option Scheme, within 21 days after receipt of the notice, the Company shall accordingly allot and issue the relevant number of Shares to the grantee fully paid and issue to the grantee a share certificate for the Shares so allotted and issued.

The option period within which an Option may be exercised by a grantee may be determined and notified by the Board to the grantee, which must not be more than 10 years from the offer date of the Option. In the absence of such determination, the option period of an Option shall commence on the offer date of the Option to the earlier of (i) the date on which the Option is cancelled or lapses under the 2023 Share Option Scheme; and (ii) 10 years from the offer date of the Option.

10. Subscription price

The price per Share at which a grantee may subscribe for the Share on the exercise of an Option (the “**Subscription Price**”) shall be determined at the discretion of the Board, provided that it must be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the offer date, which must be a business day;

- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (c) the nominal value of a Share.

11. Ranking of Shares

The Share to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company in force from time to time and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**"). Accordingly, such a Share will entitle the holder thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date, including those arising on a liquidation of the Company, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with the record date falling before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights and may not be transferred by the grantee until the name of the grantee has been duly entered in the register of members of the Company as the holder thereof.

12. Restrictions on the time of grant of options

So long as the Shares are listed on the Stock Exchange,

- (a) the Board may not make any offer of Options to any Eligible Participant after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules. In particular, no offer of Options may be made during the period commencing one month immediately preceding the earlier of
 - (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any yearly, half-yearly, quarterly or other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any yearly, half-yearly, quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. For the avoidance of doubt, no offer may be made during any period of delay in publishing a results announcement; and

- (b) the Board may not make any offer of Options to any Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

13. Scheme life of the 2023 Share Option Scheme

The 2023 Share Option Scheme shall be valid and effective for the period commencing on the date on which the 2023 Share Option Scheme is approved and adopted by an ordinary resolution of the Shareholders (the “**Adoption Date**”) and ending on the date which is 10 years from the Adoption Date, after which period no further Options may be issued but the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the vesting and exercise of all Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme.

14. Rights on ceasing employment

In respect of a grantee of Options who is an Employee Participant, if he ceases to be an Employee Participant for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 16 below before exercising the Options in full, the Options (to the extent vested but not already exercised) shall lapse on the date of cessation or termination of employment and not be exercisable, unless the Board otherwise determine in which event the grantee may exercise the Options (to the extent vested but not already exercised) in whole or in part in such number(s) and within such period(s) as the Board may determine following the date of such cessation or termination of employment. The date of cessation or termination of employment as aforesaid shall be the last day on which the grantee was actually at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall lapse on the date of cessation or termination of employment.

15. Rights on death, ill-health, disability or retirement

In respect of a grantee of Options who is an Employee Participant, if he ceases to be an Employee Participant by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Options in full, he or, as appropriate, his personal representative(s) may exercise the Options (to the extent vested but not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment, which date shall be the last day on which the grantee was at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, or such a longer period as the Board may determine.

In respect of those Options that have met the 12-month vesting period (or such shorter vesting period as determined by the Board) but have not been exercisable because the performance target(s) stated in the offer has(have) not been satisfied, the Board may, by reference to the level of attainment of the prescribed performance target(s) and other equitable factors, determine that the grantee or, his personal representative, may exercise such number(s) of Options within such period(s) as the Board may consider appropriate, subject to any condition or limitation they may impose. For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall lapse on the date of cessation of employment.

16. Right on dismissal

In respect of a grantee who is an Employee Participant, the option period in respect of any option granted to him shall automatically terminate and that Option (if unvested, or if vested but not already exercised) shall lapse and cease to be exercisable on the date on which the grantee ceases to be an Employee Participant by reason of termination of his employment on the grounds that he has

- (a) been guilty of persistent or serious misconduct;
- (b) committed any act of bankruptcy, become insolvent or made any arrangement or composition with his creditors generally; or
- (c) been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the grantee or any member of the Group into disrepute).

17. Rights on breach of contract

In respect of a grantee other than an Employee Participant, the option period in respect of any option granted to him shall automatically terminate and that Option (if unvested, or if vested but not already exercised) shall lapse and cease to be exercisable on the date on which the Board shall at its absolute discretion determine that

- (a) the grantee or any of his associates has committed any breach of any contract entered into between the grantee or any of his associates on the one part and any member of the Group on the other part;
- (b) the grantee has committed any act of bankruptcy, become insolvent or made any arrangement or composition with his creditors generally; or
- (c) the grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever,

and that the Option shall lapse as a result of any event specified in paragraph 17(a), (b) or (c) above.

18. Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner, is made to all the Shareholders, 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, during the option period, the Company shall use all reasonable endeavours to procure that such an offer is extended to all the grantees of Options on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such an offer becomes or is declared unconditional or such a scheme of arrangement is formally proposed to the Shareholders, the grantee of Options shall, notwithstanding any other term on which his Options were granted, be entitled to exercise the Options (to the extent vested but not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in accordance with paragraph 9 above at any time thereafter and up to the close of such an offer (or any revised offer) or the record date for entitlements under such a scheme of arrangement, as the case may be.

Subject to the above, all vested Options (to the extent not exercised) and unvested Options then outstanding will lapse on the date on which such an offer (or, as the case may be, the revised offer) closes or the relevant record date for entitlements under such a scheme of arrangement, as the case may be

19. Rights on winding up

If a resolution is proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company in accordance with the provisions of paragraph 9 above at any time not less than two business days before the date on which such a resolution is to be considered and/or passed, exercise his Options (to the extent vested but not already exercised) either to its full extent or to the extent specified in the notice, and the Company shall allot and issue to the grantee the Shares in respect of which the grantee has exercised his Options not less than one Business Day before the date on which such a resolution is to be considered and/or passed, whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such a resolution.

Subject to the above, all vested Options (to the extent not exercised) and unvested Options then outstanding will lapse on the commencement of the winding-up of the Company.

20. Options held by a company wholly-owned by an Eligible Participant

If the Options have been transferred by the grantee to and are held by a Participant Vehicle,

- (a) the provisions of paragraphs 14, 15, 16 and 17 above shall apply to the such Options, *mutatis mutandis*, as if such Options had all along been held by the grantee, and such Options shall accordingly fall to be exercisable or lapse upon occurrence of the event referred to in paragraph 14, 15, 16 or 17 above with respect to the grantee; and
- (b) the Options (if unvested, or if vested but not already exercised) granted to the grantee shall lapse on the date the Participant Vehicle ceases to be wholly owned by the grantee (where the Participant Vehicle is originally a private company wholly owned by the grantee), or the date the grantee ceases to be a beneficiary or discretionary object of the Participant Vehicle (where the Participant Vehicle is originally a trust of which the grantee is a beneficiary or discretionary object), provided that the Board may at its absolute discretion decide that such Options or any part thereof shall not so lapse subject to such conditions or limitations as they may impose.

21. Adjustments to the subscription price

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the 2023 Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of the Shares or reduction of the share capital of the Company, then, in any such case the Company shall instruct the auditors of the Company or an independent financial adviser to certify in writing the adjustments, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:

- (a) the number or nominal amount of Shares to which the 2023 Share Option Scheme or any Option(s) relate(s) (insofar as it is/they are unexercised);
- (b) the Subscription Price of any Option(s); and/or
- (c) (unless the relevant grantee elects to waive such adjustment) the number of Shares underlying or which remain underlying the Options granted to any grantee,

and an adjustment as so certified by the auditors of the Company or the independent financial adviser shall be made, provided that:

- (aa) any such adjustment shall give the grantee the same proportion of the issued share capital of the Company (rounded to the nearest whole Share) as that to which the grantee was entitled immediately prior to such an adjustment;
- (bb) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value;

- (cc) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and
- (dd) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules as may be promulgated by the Stock Exchange from time to time.

In respect of any adjustment referred to above, other than any adjustment made on a capitalisation issue, the auditors of the Company or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

22. Lapse of option

In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained under paragraph 8(b) above, the Option shall never become exercisable and shall lapse forthwith.

In addition, the Option Period in respect of an Option shall automatically terminate and that Option (if unvested, or if vested but not already exercised) shall lapse and cease to be exercisable upon the earliest of

- (a) the expiry of the option period referred to in paragraph 9 above; and
- (b) the dates specified in paragraphs 14, 15, 16, 17, 18, 19 and 20 above as applicable.

23. Cancellation of options

An Option shall be cancelled when it is clawed back by the Board under paragraph 8(d) above, or when the Board shall exercise the Company's rights under paragraph 25(c) below to cancel the Option by reason of a breach of paragraph 25(a) or (b) below by the grantee in respect of that or any other Option.

Subject to paragraphs 8(d) above and 25(c) below and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of the Board.

Where the Company cancels any Option granted to a grantee and offers new Option(s) to the same Eligible Participant, such an offer of new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraph 3(a) or 3(b) above. The Options cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

24. Termination of the 2023 Share Option Scheme

The Company may by resolution at a general meeting at any time terminate the 2023 Share Option Scheme and in any such event, no further Options will be offered but in all other respects the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and (subject to vesting in accordance with the terms of the offer) exercisable in accordance with the terms of the 2023 Share Option Scheme.

25. Rights are personal to the grantee

- (a) Subject to paragraph 25(b) below, an Option shall be personal to the grantee and shall not be transferable or assignable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement to do so.
- (b) Subject to (i) written consent given by the Board (which the Board may or may not give at its absolute discretion); and (ii) waiver granted by the Stock Exchange, an Option held by a grantee may be transferred to a vehicle (such as a private company wholly owned by the grantee, or a trust of which the grantee is a beneficiary or discretionary object) (the “**Participant Vehicle**”) for the benefit of the grantee and any family member of such a grantee (for estate planning or tax planning purposes, or such other reasons as the Board and the Stock Exchange may consider to be justifiable) that would continue to meet the purpose of the 2023 Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules. In connection with the application for the above consent from the Board and the above waiver from the Stock Exchange, the grantee shall (A) provide information on the beneficiaries or discretionary objects of the trust or the ultimate beneficial owners of the Participant Vehicle, and such other information as may be required by the Board and/or the Stock Exchange; and (B) consent to the disclosure of such information in the announcement, circular and/or report to be published by the Company. The provisions of the 2023 Share Option Scheme shall apply, *mutatis mutandis*, to the Participant Vehicle.
- (c) Any breach of the provisions above by a grantee shall entitle the Company to cancel all unvested Options granted to such a grantee and to cancel all vested Options granted to such a grantee to the extent not already exercised.

26. Alteration of the 2023 Share Option Scheme

- (a) Subject to paragraphs 26(b) and 26(d) below, the 2023 Share Option Scheme may be altered in any respect by a resolution of the Board, except that:
- (i) any alteration to the terms and conditions of the 2023 Share Option Scheme which is of a material nature, including but not limited to the provisions of the 2023 Share Option Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Option Period” and “Termination Date”, shall not be made; and
 - (ii) the provisions of the 2023 Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Eligible Participants,
- except with the sanction of a resolution of the Shareholders at a general meeting.
- (b) Subject to paragraph 26(c) below, any change to the terms of any Options granted to a grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders at a general meeting (as the case may be) if the initial offer of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders at a general meeting (as the case may be), in accordance with the terms of the 2023 Share Option Scheme and Chapter 17 of the Listing Rules. The foregoing provisions shall not apply where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.
- (c) Any change to the authority of the Board or the administrators of the 2023 Share Option Scheme to alter the terms of the 2023 Share Option Scheme must be approved by the Shareholders at a general meeting.
- (d) The terms of the 2023 Share Option Scheme and/or any Option amended pursuant to this paragraph 26 must comply with the applicable requirements under Chapter 17 of the Listing Rules.

27. Others

The 2023 Share Option Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2023 Share Option Scheme, including any such listing or permission which is granted subject to the fulfilment of any condition precedent or condition subsequent.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of China SCE Group Holdings Limited (the “**Company**”) will be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 4:30 p.m. on Tuesday, 30 May 2023 to consider and, if thought fit, pass the following resolution as an ordinary resolution (with or without modifications):

“THAT

- (a) with effect from the date of passing of this resolution, the provisions of the share option scheme (the “**2023 Share Option Scheme**”), a copy of which has been produced to the meeting marked “A” and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted as the share option scheme of the Company and that the directors of the Company (the “**Directors**”) be and are hereby authorised to approve any amendment to the provisions of the 2023 Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, to grant options to subscribe for shares of the Company thereunder at the Directors’ sole and absolute discretion, to allot, issue and deal with shares of the Company pursuant to the exercise of options granted thereunder from time to time, and to do all such acts and enter into all such transactions and arrangements as may be necessary or expedient in order to give effect thereto; and
- (b) conditional upon the 2023 Share Option Scheme becoming effective, the existing share option scheme of the Company approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 23 April 2018 (the “**2018 Share Option Scheme**”) be and is hereby terminated upon the 2023 Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding option which has been granted under the 2018 Share Option Scheme prior to the date of the passing of this resolution).”

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

Hong Kong, 15 May 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal place of business in Hong Kong:

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

Notes:

1. A holder (the “**Shareholder**”) of share(s) (the “**Share(s)**”) in the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder 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 EGM. A proxy need not be a Shareholder.
2. Where there are joint holders of any share, anyone of such joint holders may vote, either in person or by proxy, at the EGM in respect of such a share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. In order to be valid, the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to the same, and must be deposited with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority), as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. at or before 4:30 p.m. on Sunday, 28 May 2023 (Hong Kong time)) or any adjournment thereof.
4. For the purpose of determining members who are qualified for attending the EGM, the register of members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023 (both days inclusive), during which no transfer of the Shares will be effected. In order to qualify for attending the EGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Tuesday, 23 May 2023.
5. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the executive directors of the Company are Mr. Wong Chiu Yeung, Mr. Chen Yuanlai, Mr. Cheng Hiu Lok, Mr. Huang Youquan and Mr. Wong Lun, and the independent non-executive directors of the Company are Mr. Ting Leung Huel Stephen, Mr. Lu Hong Te and Mr. Dai Yiyi.