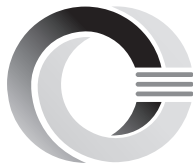

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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中國城市基礎設施集團有限公司

China City Infrastructure Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2349)

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

A notice convening the annual general meeting (the “AGM”) of the Company to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Thursday, 6 June 2024 at 11:30 a.m. is set out on pages 30 to 35 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

29 April 2024

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DEFINITIONS

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

| | |
|--|---|
| “Adoption Date” | the date on which the New Share Option Scheme will be approved and adopted by resolutions of the Shareholders |
| “AGM” | the annual general meeting of the Company to be convened and held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Thursday, 6 June 2024 at 11:30 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate and the proposed re-election of Directors |
| “Articles” or “Articles of Association” | the existing articles of association of the Company |
| “Board” | the board of Directors |
| “Close Associate(s)” | as the meaning ascribed to this term under the Listing Rules |
| “Company” | China City Infrastructure Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange |
| “Date of Grant” | the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant subject to the provisions of the New Share Option Scheme |
| “Director(s)” | the director(s) of the Company |
| “Eligible Participant(s)” | (i) any Employee Participant; (ii) any director or employee of a Related Entity; and (iii) any Service Provider |
| “General Mandate” | the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the number of Shares of the Company in issue as at the date of granting of the General Mandate |

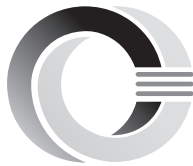
DEFINITIONS

| | |
|---------------------------|---|
| “Group” | the Company and all of its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Latest Practicable Date” | 22 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “New Share Option Scheme” | the new share option scheme of the Company to be proposed for adoption by the Company at the AGM, a summary of which is set out in Appendix III to this circular |
| “Option(s)” | option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme |
| “Option Holder(s)” | the holder(s) of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder |
| “Option Period” | in respect of any Option, the period commencing on the Acceptance Date of an Option and expiring at the close of business on such day as the Board may determine when granting the Option but in any event not exceeding ten (10) years from Date of Grant of the New Share Option Scheme |
| “Option Price” | the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Share Option Scheme |
| “Repurchase Mandate” | the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of Shares of the Company in issue as at the date of granting of the Repurchase Mandate |

DEFINITIONS

| | |
|------------------------------|--|
| “Personal Representative(s)” | the person or persons who, in accordance with the laws of succession applicable in respect of the death of an Option Holder, is or are entitled to exercise the Option granted to such Option Holder (to the extent not already exercised) |
| “PRC” | the People’s Republic of China (for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan) |
| “Scheme Mandate Limit” | has the same meaning as defined in paragraph 3(a) of Appendix III to this circular |
| “Service Provider(s)” | any person(s) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including but not limited to person(s) who work(s) for the Company as independent contractors (including adviser(s) and consultant(s) of any member of the Group) where the continuity and frequency of his/their services are akin to those of employees, but excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.1 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Buy-backs |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

LETTER FROM THE BOARD



中國城市基礎設施集團有限公司
China City Infrastructure Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2349)

Executive Directors:

Mr. Li Chao Bo
(Chairman and Chief Executive Officer)
Mr. Ji Jiaming

Non-executive Director:

Mr. Zhang Guiqing

Independent non-executive Directors:

Mr. Kwok Kin Wa
Mr. Ng Chi Ho, Dennis
Ms. Kwong Mei Wan, Cally

Registered office:

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

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

Suite 6208, 62nd Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

29 April 2024

To Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; and (iii) adoption of New Share Option Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for (i) the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the proposed re-election of Directors; (iii) the proposed adoption of New Share Option Scheme; and (iv) the notice of AGM.

PROPOSED GRANT OF GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate (including the extended General Mandate) and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate of up to 20% of the number of the Shares in issue as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be approved for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has aggregate of 3,128,278,542 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 625,655,708 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate of up to 10% of the number of the Shares as at the date of granting of the Repurchase Mandate.

LETTER FROM THE BOARD

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 312,827,854 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act (Law 3 of 1961, as consolidated and revised) or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

PROPOSED RE-ELECTION OF DIRECTORS

According to Article 108, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 108, Mr. Zhang Guiqing, Mr. Kwok Kin Wa and Mr. Ng Chi Ho, Dennis, shall retire from their office by rotation at the AGM. Being eligible, Mr. Zhang Guiqing will offer himself for re-election as non-executive director. Mr. Kwok Kin Wa and Mr. Ng Chi Ho, Dennis will offer themselves for re-election as independent non-executive director.

Particulars of each of Mr. Zhang Guiqing, Mr. Kwok Kin Wa and Mr. Ng Chi Ho, Dennis are set out in Appendix II to this circular pursuant to the Listing Rules.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Company adopted the 2013 Share Option Scheme pursuant to the resolution passed by the Shareholders at the annual general meeting held on 18 June 2013 (“**2013 Share Option Scheme**”). The 2013 Share Option Scheme has a term of ten (10) years and has expired on 17 June 2023. Upon the expiry of the Share Option Scheme, no further options can be granted thereunder, but its provisions shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted thereunder prior to its expiry which remain outstanding, and the exercise of such options shall be subject to and in accordance with the terms on which they were granted, the provisions of the 2013 Share Option Scheme and the Listing Rules.

LETTER FROM THE BOARD

The Board proposes to adopt the New Share Option Scheme to conform with the amendments to the Listing Rules relating to share schemes of listed issuers, which took effect from 1 January 2023. The New Share Option Scheme will be valid for ten (10) years from the Adoption Date. A summary of the principal terms of the Scheme is set out in Appendix III to this circular. The New Share Option Scheme is conditional on:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to (i) approve and adopt the Scheme, (ii) authorise the Board to grant Options under the Scheme, and (iii) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the Scheme; and
- (b) the Stock Exchange granting approval to the listing of, and permission to deal in, such number of Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions herein, such number being not less than that of the Scheme Mandate Limit. As at the Latest Practicable Date, none of the aforesaid conditions of the Scheme had been fulfilled. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Options granted under the Scheme. At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Scheme.

AGM

A notice convening the AGM to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Thursday, 6 June 2024 at 11:30 a.m. is set out on pages 30 to 35 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the re-election of Directors; and (iii) the adoption of New Share Option Scheme.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

LETTER FROM THE BOARD

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 respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider (i) the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; (ii) the proposed re-election of Directors; and (iii) the proposed adoption of New Share Option Scheme; are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

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

Yours faithfully,
For and behalf of the Board
China City Infrastructure Group Limited
Li Chao Bo
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “**core connected person**”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective Close Associates and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,128,278,542 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM date, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 312,827,854 fully paid Shares, representing approximately 10% of the number of Shares of the Company in issue as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum of association of the Company and the Articles of Association and for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2023, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|---|-------------------------------|------------------------------|
| 2023 | | |
| May | 0.055 | 0.042 |
| June | 0.044 | 0.035 |
| July | 0.043 | 0.033 |
| Aug | 0.040 | 0.035 |
| Sep | 0.144 | 0.040 |
| Oct | 0.104 | 0.081 |
| Nov | 0.085 | 0.068 |
| Dec | 0.071 | 0.059 |
| 2024 | | |
| January | 0.069 | 0.059 |
| February | 0.060 | 0.049 |
| March | 0.054 | 0.039 |
| April (up to the Latest Practicable Date) | 0.037 | 0.030 |

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their Close Associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

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

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

| Name of Shareholder | Number of Shares | Approximate percentage holding |
|---|---------------------------------------|--------------------------------------|
| Linkway Investment Holdings Limited <i>(Note 1)</i> | 728,912,000 <i>(Long Position)</i> | 23.30% |
| China Financial International Investment Limited <i>(Note 2)</i> | 698,079,429 <i>(Long Position)</i> | 22.32% |

Notes:

- (1) Mr. Li Chao Bo is a Director of the Company. Mr. Li Chao Bo is the sole beneficial owner of Linkway Investment Holdings Limited which in turn owns 728,912,000 Shares of the Company. Therefore, Mr. Li Chao Bo was deemed to be beneficially interested in the said Shares held by Linkway Investment Holdings Limited for the purposes of the Securities and Futures Ordinance ("SFO").
- (2) China Financial International Investments Limited is a company incorporated in the Cayman Islands and continued in Bermuda, the issued shares of which are listed on the main board of the Stock Exchange.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

| Name of Shareholder | Approximate percentage holding |
|--|---|
| Linkway Investment Holdings Limited | 25.89% |
| China Financial International Investment Limited | 24.79% |

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will result in causing them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

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

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

Detail of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) MR. ZHANG GUIQING (“MR. ZHANG”) – NON-EXECUTIVE DIRECTOR

Mr. Zhang, aged 62, was appointed as non-executive Director on 16 August 2017. Mr. Zhang holds a Bachelor’s degree in Engineering with a major in material studies from Central South Institute of Mining and Metallurgy (中南礦冶學院)(currently known as Central South University (中南大學)). Mr. Zhang has worked in real estate and construction industry for many years and has extensive experience in enterprise management and engineering management. Mr. Zhang served as Vice President of Beijing Dongfang Hongming Real Estate Development Limited* (北京東方鴻銘房地產開發有限公司) from May 1999 to May 2008. From May 2008 until June 2010, Mr. Zhang was an executive director of Sanya Hongli Orient Holdings Limited* (三亞鴻立東方控股有限公司).

Mr. Zhang is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Zhang does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed, Mr. Zhang does not hold any directorship in other public company in the last three years or any other position with the Company or any of its subsidiaries and does not have any relationship with any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, there is no service contract entered into between Mr. Zhang and the Company and he will be subject to retirement by rotation in accordance with the Articles and Listing Rules. Mr. Zhang’s remuneration is fixed at HK\$120,000 per annum, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Mr. Zhang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Zhang that needs to be brought to the attention of the Shareholders and the Stock Exchange.

* The English translation of Chinese names or words in this explanation is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

**(2) MR. KWOK KIN WA (“MR. KWOK”) – INDEPENDENT NON-EXECUTIVE
DIRECTOR**

Mr. Kwok, aged 60, has been appointed as independent non-executive Director on 4 June 2019. He holds a Master degree of Business Administration from The University of South Australia. Mr. Kwok has extensive experience in real estate development and business investment and operations. Mr. Kwok is currently the director of Easymax Holdings Limited, Savilla Technology Group Company Limited and Aqualake Asian Pacific Holdings Limited. Also, Mr. Kwok is currently the committee member of the Political Consultative Conference of Jiangxi Province, the deputy director of Committee for Liaison with Hong Kong, Macau, Taiwan and Oversea of the Chinese People’s Political Consultative Conference of Jiangxi Province, the vice president of Federation of Hong Kong Zhuhai Association and Federation of Industry and Commerce of Jiangxi Province, the president of Investment Chamber of Commerce of Private Enterprises of Jiangxi Province and Chamber of Direct Members of Jiangxi Federation of Industry and Commerce.

Mr. Kwok is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Kwok does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance(Chapter 571 of the Laws of Hong Kong).

Save as disclosed, Mr. Kwok does not hold any directorship in other public company in the last three years or any other position with the Company or any of its subsidiaries and does not have any relationship with any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, there is a three years term of service contract entered into between Mr. Kwok and the Company with effected from 4 June 2022 and he will be subject to retirement by rotation in accordance with the Articles and Listing Rules. Mr. Kwok’s remuneration is fixed at HK\$120,000 per annum, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Mr. Kwok that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Kwok that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**(3) MR. NG CHI HO, DENNIS (“MR. NG”) – INDEPENDENT NON-EXECUTIVE
DIRECTOR**

Mr. Ng, aged 65, was appointed as Independent Non-executive Director on 16 March 2017. Mr. Ng holds a Bachelor of Commerce degree from The University of New South Wales, Australia and is a chartered accountant of The Chartered Accountants Australia and New Zealand and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a practising certified public accountant and has extensive experience in auditing, accounting, financial management and corporate affairs. Mr. Ng is currently an independent non-executive director of Lai Sun Garment (International) Limited (stock code: 191). He was an independent non-executive director of Media Asia Group Holdings Limited (stock code: 8075) from October 2011 to April 2023. He was a non-executive director of My Heart Bodilbra Group Limited (stock code: 8297) from December 2018 to April 2019, an independent non-executive director for each of KOALA Financial Group Limited (formerly known as Sunrise (China) Technology Group Limited) (stock code: 8226) from June 2014 to May 2015, Kirin Group Holdings Limited (stock code: 8109) from April 2015 to December 2021, and Legendary Group Limited (stock code: 8195) from June 2019 to November 2022. Mr. Ng was also the company secretary of Celebrate International Holdings Limited (stock code: 8212) from July 2014 to February 2018 and the company secretary of Yunhong Guixin Group Holdings Limited (stock code: 8349) from December 2016 to March 2023.

Mr. Ng is not connected with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Ng does not have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed, Mr. Ng does not hold any directorship in other public company in the last three years or any other position with the Company or any of its subsidiaries and does not have any relationship with any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, there is a two years term of service contract entered into between Mr. Ng and the Company and he will be subject to retirement by rotation in accordance with the Articles and Listing Rules. Mr. Ng’s remuneration is fixed at HK\$120,000 per annum, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the prevailing market conditions, and is subject to approval by the remuneration committee of the Company.

There is no information relating to Mr. Ng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter relating to Mr. Ng that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The following is a summary of the rules of the New Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants for the benefit of the Group. The New Share Option Scheme shall strengthen and maintain the many long-term relationships that the Eligible Participants may have with the Group.

2. ELIGIBLE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

Eligible Participants comprise (i) any full-time or part-time employees, executive or officers of the Company or any of its subsidiaries; (ii) any Directors (including non-executive Directors and INEDs) of the Company or any of its subsidiaries; and (iii) Service Providers.

In determining the basis of eligibility of each Eligible Participant, the Board would consider all relevant factors as appropriate, including, among others, (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (b) his/her performance, time commitment, responsibilities or employment conditions; and (c) his/her contribution made or expected to be made to the development and growth of the Group. In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the individual performance of the Eligible Participant, the special skills or technical knowhow possessed by them which is beneficial to the continuing development of the Group, and the contribution which such Eligible Participant has brought to the Group's business and development.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The maximum number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Other Schemes**”) shall not in aggregate exceed 312,827,854, representing 10% of the Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 3(b) below. Options or awards lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Share Option Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same (rounded to the nearest whole Share).
- (b) The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit set out in paragraph 3(a) above under the New Share Option Scheme after three (3) years from the Adoption Date or the date of approval by the Shareholders for the last refreshment.
- (c) Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (i) any Controlling Shareholders and their associates (or if there are no controlling shareholder, Directors (excluding INEDs) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

- (d) The requirements under paragraphs 3(c)(i) and 3(c)(ii) above do 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 total number of 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).
- (e) The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing the number of Options and Awards that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- (f) The Company may seek separate approval by the Shareholders in its general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Options to be granted, the date of Board meeting for proposing such grant should be taken as the Date of Grant for the purpose of calculating the Option Price.

4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 22 below, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the number of the total issued Shares at the Date of Grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or grantee, the number and terms of options to be granted (and options and/or awards previously granted to such Eligible Participant in the 12-month period) to such Eligible Participant and the information required under the Listing Rules, including but not limited to the purpose of granting options to the Eligible Participant and an explanation as to how the terms of the options serve such purpose. The number and terms (including the Subscription Price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Option Price.

5. ACCEPTANCE OF OPTION

Offers to grant an Option shall be open for acceptance for a period of up to 21 days from the Date of Grant (the “**Acceptance Period**”) provided that no such offer shall be open for acceptance after the expiry of the period of the New Share Option Scheme or after the New Share Option Scheme has been terminated; or by a person who ceases to be an Eligible Participant after such offer has been made. An Offer shall be deemed to have been granted and accepted by an Eligible Participant and to have taken effect when the duplicate offer document constituting 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 the Acceptance Period. Such remittance shall in no circumstances be refundable.

An offer of the grant of Options not accepted within the Acceptance Period shall lapse.

6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

Save as provided in paragraphs 7, 9 to 12 below, Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. An Option shall be exercisable in whole or in part by giving notice to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the Option Price for Shares in respect of which the notice is given. Notwithstanding anything in provisions under the New Share Option Scheme to the contrary, the Option Period shall not be extended beyond ten (10) years from the Date of Grant and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its obligations under the New Share Option Scheme in relation to such exercise.

7. VESTING PERIOD OF OPTION

- (a) The vesting period for Options shall not be less than twelve (12) months.
- (b) A shorter vesting period may be granted to the Eligible Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:
 - (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months; and
 - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which are considered by the Board and the Remuneration Committee appropriate to provide flexibility to grant Options (a) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (i) and (iv)); (b) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (ii) and (iii)); (c) reward exceptional performers with accelerated vesting (sub-paragraph (iv)); (d) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (v)); and (e) in exceptional circumstances where justified (sub-paragraphs (i) to (v)), which is consistent with the purpose of the New Share Option Scheme.

8. OPTION PRICE

The Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the Date of Grant at the absolute discretion of the Directors as an amount per Share which shall 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 Date of Grant, which must be a business day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Date of Grant; and (c) the nominal value of the Shares on the Date of Grant, provided that the Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

9. RIGHTS ON WINDING UP

In the event notice is given of a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Option Holders and thereupon, each Option Holder (or his/her Personal Representative(s)) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two (2) business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full payment of the aggregate Option Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Option Holders credited as fully paid. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

10. RIGHTS ON A GENERAL OFFER

If a general offer by way of a take-over 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 (as defined in the Hong Kong Code on Takeovers and Mergers)) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Option Holder shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within twenty-one (21) days after the date on which the offer becomes or is declared unconditional. To the extent that any Option has not been so exercised, it shall upon the expiry of such period be lapsed.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or an arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice thereof to all Option Holders on the same day as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or an arrangement, and any Option Holder (or where permitted his/her Personal Representative(s)) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Option Price for the Shares in respect of which the notice is given (such notice to be received by the Company no later than two (2) business days prior to the proposed meeting), exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the notice, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed meeting, issue and allot the relevant Shares to the Option Holder credited as fully paid.

With effect from the date of such meeting, the rights of all Option Holders to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminate. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Option Holders to exercise their respective Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL

Subject to the provisions of the New Share Option Scheme, an Option may be exercised by an Option Holder at any time during the Option Period provided that:

- (a) in the event that the Option Holder, who is an employee of the Group at the time of grant of the Option, ceases to be an employee by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Company and/or any of its subsidiaries specified in paragraph 12(b) has occurred, the Option Holder or his/her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part within a period of three (3) months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death;
- (b) in the event that the Option Holder, who is an employee of the Group at the time of grant of the Option, ceases to be an employee by reason other than his/her death, ill-health, injury, disability or termination of his/her relationship with the Company and/or any of its subsidiaries on one or more of the grounds specified in paragraph 12(c) below, the Option Holder may exercise the Option up to the entitlement of the Option Holder as at the date of cessation (to the extent not already exercised) in whole or in part up to the date of cessation (or such longer period as the Board may determine) from such cessation which date shall be the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse (or such longer period as the Company may determine);
- (c) in the event that the Option Holder, who is an employee of the Group at the time of grant of the Option, ceases to be an employee by reason of termination of his/her employment on any one or more of the grounds that he/her has been guilty of persistent or serious misconduct, or has been liable for a material misstatement in the Company's financial statements, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Option Holder or the Group into disrepute and does not involve his/her integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his/her employment summarily, his/her Options will lapse and not be exercisable after the date of termination of his/her employment; and

- (d) in the event that the Option Holder ceases to be an Eligible Participant by reason of his or her retirement in accordance with his or her contract of employment or service, any outstanding Option(s) may be exercised during the Option Period subject to the criteria and conditions set out in the offer,

provided always that, in each case the Directors in their absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

13. DURATION OF THE NEW SHARE OPTION SCHEME

Subject to early termination as may be determined by Shareholders in general meeting, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (the “**Scheme Period**”), after which period, no further Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the termination of the New Share Option Scheme.

14. LAPSE OF OPTION

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

- (a) the expiry of the Option Period as may be determined by the Board in accordance with the rules of the New Share Option Scheme;
- (b) the expiry of any of the periods referred to in paragraphs 9, 10 and 12 above;
- (c) the date on which the scheme arrangement of the Company referred to in paragraph 11 above becomes effective;
- (d) the date upon which the Option Holder ceases to be an Eligible Participant by reason referred to in paragraph 12(c) above;
- (e) subject to paragraph 9 above, the date of the commencement of the winding-up of the Company;

- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Option Holder commits a breach of paragraph 18 below; or
- (g) the date on which the Option is cancelled in accordance with paragraph 16 below.

The Company shall owe no liability to an Option Holder for the lapse of any Option under this paragraph 14.

15. ADJUSTMENT

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), then, in any such case (other than in the case of capitalisation issue), the Company shall instruct the Auditors or independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Option Holder, to:

- (a) the number of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Option Price of any unexercised Options,

and an adjustment as so certified by the Auditors or the independent financial adviser shall be made, provided that, (1) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by an Option Holder on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, (2) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, (3) any such adjustment shall be made on the basis that an Option Holder shall be given the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, for which any Option Holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment (as interpreted in accordance with FAQ No. 072-2020 issued by the Stock Exchange on 6 November 2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time).

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

16. CANCELLATION OF OPTIONS GRANTED

Any cancellation of Options granted but not exercised must be approved by the relevant Option Holder thereof, unless otherwise provided for in the rules of the New Share Option Scheme.

Any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the New Share Option Scheme (or the Other Schemes) with available Scheme Mandate Limit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in the general meeting may at any time terminate the operation of the New Share Option Scheme before the expiry of the Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the New Share Option Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the New Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing Other Schemes after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Share Option Scheme, and accordingly no relevant disclosure in relation to the Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

- (a) The Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Share Option Scheme altering to the advantage of Option Holders (present or future) any of the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” in the New Share Option Scheme, the terms and conditions of the New Share Option Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules.
- (b) No amendments to the New Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with such consent on their part as would be required under the provisions of the Articles of Association as if the Options constituted a separate class of share capital and as if such provisions applied *mutatis mutandis* thereto.
- (c) Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (d) Save as otherwise provided in the terms of the New Share Option Scheme, an amendment of a material nature to the New Share Option Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.
- (e) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of the Listing Rules.
- (f) Any change to the authority of the Directors or scheme administrators to alter the terms of the New Share Option Scheme must be approved by the Shareholders in the general meeting.

20. PERFORMANCE TARGETS

Unless otherwise determined by the Board and specified in the offer, there is generally no performance target that needs to be achieved before the exercise of an Option granted to the Option Holder nor there is any clawback mechanism for the Company to recover or withhold the Options granted to any Eligible Participant.

The performance targets, if imposed, may be linked to the individual Eligible Participant or the Group as a whole or to a subsidiary, department, division, region, function or business unit, line of business, project or individual key performance indicators, which may include revenue, profits (before or after income tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price, and other targets as the Board may determine from time to time and assess either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, past or current performance or comparison to internal targets or industry performance, in each case as specified by the Board in their sole discretion.

21. CLAWBACK MECHANISM

Subject to the discretion of the Board, if a Participant's employment has been terminated summarily, or has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving misstatement in the Group's financial statements, any outstanding Options shall immediately lapse. The clawback mechanism would enable the Company to recover or withhold the Options granted to any Participant, so that the equity incentives granted to Grantees culpable of misconduct and is in line with the purpose of the Scheme and the interests of Shareholders.

22. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) In addition to paragraph 4 above, any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the INEDs (excluding any INED who is a proposed grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

- (b) Where Options are proposed to be granted to an INED or a substantial Shareholder, or any of their respective associates, which will result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme) granted to such person in the twelve (12)-month period up to and including the Date of Grant to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of the Shareholders taken on a poll in a general meeting.
- (c) In the circumstances described in paragraph 21(b) above, the Company must send a circular to the Shareholders setting out the details as required under Rule 17.04(5) of the Listing Rules. The relevant Option Holder, his or her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

23. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect upon satisfaction of the following conditions:

- (a) the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the New Share Option Scheme and to authorise the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the New Share Option Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New Share Option Scheme shall forthwith determine and any Option granted or agreed to be granted pursuant to provisions of the New Share Option Scheme and any offer of Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New Share Option Scheme or any Option.

24. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

25. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

No offer of an Option shall be made and no Option shall be granted to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to the Company's knowledge until (and including) such price sensitive information or inside information has been publicly disseminated in accordance with the Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the Listing Rules or any applicable law. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (such date as first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

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中國城市基礎設施集團有限公司
China City Infrastructure Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2349)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China City Infrastructure Group Limited (the “**Company**”) will be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on Thursday, 6 June 2024 at 11:30 a.m., to transact the following ordinary business:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditor of the Company for the year ended 31 December 2023;
2.
 - (a) to re-elect Mr. Zhang Guiqing as non-executive Director;
 - (b) to re-elect Mr. Kwok Kin Wa as independent non-executive Director;
 - (c) to re-elect Mr. Ng Chi Ho, Dennis as independent non-executive Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint Confucius International CPA Limited as the auditor (the “**Auditor**”) of the Company and to authorise the board of Directors to fix their remuneration of the Auditor;

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as special business, consider and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions:

4. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the **“Listing Rules”**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the **“Shares”**) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the **“Articles of Association”**) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of Shares in issue on the date of the passing of this resolution; and

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(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares in issue on the date of the passing of resolution no. 5),

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

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, Companies Act (Law 3 of 1961, as consolidated and revised) (the **“Companies Act”**) or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

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

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5. **“THAT:**
- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate number of issued Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the number of Shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. **“THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
7. **“THAT** subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the New Share Option Scheme, a copy of which has been produced to the meeting marked ‘A’ and initialed by the chairman of the meeting for the purpose of identification:
- (a) the New Share Option Scheme be and is hereby approved and adopted as the Company’s share option scheme and the Directors of the Company be and are hereby authorised to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the New Share Option Scheme subject to the terms of the New Share Option Scheme and the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time); and

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- (b) the Directors of the Company be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors of the Company deem fit.”

By Order of the Board
China City Infrastructure Group Limited
Li Chao Bo
Chairman

Hong Kong, 29 April 2024

Registered office:

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

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

Suite 6208, 62nd Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one, or if he is holder of more than one share, more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

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3. For the purpose of determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 30 May 2024 to Thursday, 6 June 2024 (both dates inclusive) during which period no transfer of shares of the Company will be effected. In order to qualify for the entitlement to attend and vote at the meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Wednesday, 29 May 2024.
4. Concerning ordinary resolution no. 2 above, Mr. Zhang Guiqing, Mr. Kwok Kin Wa and Mr. Ng Chi Ho, Dennis will hold office until the annual general meeting and, being eligible, offer themselves for re-election at the annual general meeting. Details of these Directors are set out in Appendix II to the circular dated 29 April 2024, of which this notice forms part (the "**Circular**").
5. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new Shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
6. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the Circular.

As at the date of this announcement, the Board comprises Mr. Li Chao Bo (Chairman and Chief Executive Officer) and Mr. Ji Jiaming (Chief Executive Officer) as executive Directors; Mr. Zhang Guiqing as non-executive Director; and Mr. Ng Chi Ho, Dennis, Mr. Kwok Kin Wa and Ms. Kwong Mei Wan, Cally as independent non-executive Directors.