
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Central Development Holdings Limited**, you should at once hand this supplemental circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other registered dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CENTRAL DEVELOPMENT HOLDINGS LIMITED****中發展控股有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 475)**

**SUPPLEMENTAL CIRCULAR
IN RELATION TO PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS, TERMINATION OF
THE SHARE OPTION SCHEME 2016 AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

This Supplemental Circular should be read together with the Initial Circular of Central Development Holdings Limited dated 21 July 2023 to Shareholders and the Initial Notice convening the Annual General Meeting of the Company to be held at 24/F., OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong on, Thursday, 7 September 2023 at 10:00 a.m. A letter from the Board is set out on pages 4 of this Supplemental Circular. Capitalized terms used in this cover page shall have the same meanings as defined in the Initial Circular and this Supplemental Circular. The content of this Supplemental Circular relating to the termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme shall supersede the content in the Initial Circular.

A supplemental notice of the Annual General Meeting of the Company is set out on pages 23 of this Supplemental Circular. A Supplemental Proxy form, which shall supersede the Initial Proxy Form enclosed with the Initial Circular dated 21 July 2023, is also enclosed. Such revised form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). Whether or not you are able to attend the Annual General Meeting or any adjourned meeting, please complete and sign the Supplemental Proxy form in accordance with the instructions printed thereon and return as soon as practicable to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting. Completion and the delivery of the Supplemental Proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish and in such event, the Supplemental Proxy form shall be deemed to be revoked.

23 August 2023

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders of the Company in its general meeting
“Annual General Meeting”	an annual general meeting of the Company to be held at 24/F, OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong, on Thursday, 7 September 2023 at 10:00 a.m., or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 23 to 24 of this circular
“Articles of Association”	the articles of association of the Company as amended and restated, supplemented or modified from time to time
“associates”; “controlling shareholder(s)”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors, including all independent non-executive Directors
“Company”	Central Development Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange (stock code: 0475)
“Director(s)”	the director(s) of the Company
“Eligible Relationship”	the relationship between a Participant and the Company or any Subsidiary
“Employee Participant(s)”	the directors (including independent non-executive Directors) and employees of the Group (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies)
“Grant Date”	the date (which shall be a business day (a day on which the Stock Exchange is open for the business of dealing in securities)) on which the grant of an Option is made to (and subject to acceptance by) a Participant as determined in accordance with section headed “Grant of Option” of Appendix I

DEFINITIONS

“Grantee”	any Participant who accepts the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled under the New Share Option Scheme to exercise any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Circular”	circular of the Company dated 21 July 2023
“Initial Notice”	the notice of the Company dated 21 July 2023 convening the Annual General Meeting
“Initial Proxy Form”	the form of proxy dispatched to the Shareholders on 21 July 2023
“Issuance Mandate”	the ordinary resolutions will be proposed at the Annual General Meeting to grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the total number of Shares in issue on the date of passing the relevant ordinary resolution
“Latest Practicable Date”	18 July 2023, being the latest practicable date prior to the printing of the Initial Circular for ascertaining certain information in Initial Circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum and Articles of Association”	the existing amended and restated memorandum and articles of association of the Company adopted on 8 September 2022
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Option Period”	in respect of any particular Option, a period (which is of not more than 10 years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the grant letter to the Participant, and expiring on the earliest of the last day of the said period or such time as specified in the New Share Option Scheme
“Participant(s)”	including (a) the Employee Participant(s); and (b) the Related Entity Participant(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above category

DEFINITIONS

“Related Entity Participant(s)”	the directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	the ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company’s fully paid up Shares up to a maximum of 10% of the total number of Shares in issue on the date of passing the relevant ordinary resolution
“PRC”	the People’s Republic of China
“Scheme Period”	the period of 10 years commencing on the Adoption Date and expiring on the tenth anniversary of the Adoption Date
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company (or such other nominal value as shall result from a subdivision, consolidation, reclassification or restructuring of such shares from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Option(s)”	the option(s) to subscribe for Shares granted under the New Share Option Scheme
“Share Option Scheme 2016”	the share option scheme adopted by the Company on 9 September 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap 622)) of the Company and “Subsidiaries” shall be construed accordingly
“Supplemental Circular”	this Supplemental Circular
“Supplemental Proxy Form”	the supplemental proxy form for the Annual General Meeting which shall supersede the Initial Proxy Form and which will be despatched to the Shareholders on 23 August 2023
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percent

LETTER FROM THE BOARD



CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

Executive Directors:

Mr. Wu Hao (*Chairman*)
Mr. Hu Yangjun
Mr. Chan Wing Yuen, Hubert (*Chief Executive*)
Mr. Zhang Bing

Non-Executive Director:

Mr. Li Wei Qi, Jacky

Independent Non-Executive Directors:

Mr. Jin Qingjun
Ms. Sun Ivy Connie
Ms. Zhong Yingjie, Christina

Registered office:

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

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

Room 2202, 22/F.
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

23 August 2023

To the Shareholders

Dear Sir and Madam,

**SUPPLEMENTAL CIRCULAR
IN RELATION TO PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS, TERMINATION OF
THE SHARE OPTION SCHEME 2016 AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

This Supplemental Circular should be read in conjunction with the Initial Circular which contained information relating to the termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme. The content of this Supplemental Circular relating to the termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme shall supersede the content in the Initial Circular. Unless indicated otherwise, the capitalised terms used in this Supplemental Circular shall have the same meanings as those defined in the Initial Circular.

LETTER FROM THE BOARD

The purpose of this Supplemental Circular is to provide you with further information in respect of the resolutions to be proposed at the Annual General Meeting in relation to (i) termination of Share Option Scheme 2016 and adoption of the New Share Option Scheme set out in the Appendix to this Supplemental Circular; and (ii) supplemental notice of Annual General Meeting.

2. PROPOSED TERMINATION OF THE SHARE OPTION SCHEME 2016 AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Share Option Scheme 2016 was adopted by the Company on 9 September 2016 and will expire on 8 September 2026. Following the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022, Chapter 17 of the Listing Rules was amended and became effective from 1 January 2023. In light of the above, the Board proposes to recommend to the Shareholders to terminate the Share Option Scheme 2016 and adopt the New Share Option Scheme by way of the ordinary resolution at the Annual General Meeting. No further options will be granted under the Share Option Scheme 2016 following its termination, but in all other respects its provisions shall remain in full force and effect.

As at the Latest Practicable Date, 34,947,000 outstanding exercisable Options have been granted under the Share Option Scheme 2016. The Board has no present intention to grant further options under the Share Option Scheme 2016.

Under the Share Option Scheme 2016, as at the Latest Practicable Date, a total of 82,787,000 Options were granted thereunder to subscribe for an aggregate of 82,787,000 Shares, out of which 42,210,000 Options were exercised, 5,630,000 Options had lapsed, no Option had been cancelled, and 34,947,000 Option remained unexercised or outstanding.

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group.

The Board considers that the New Share Option Scheme will facilitate the retention and the recruitment of high-calibre staff of the Group and attract resources that are valuable to the Group. To ensure that this purpose is achieved, the New Share Option Scheme provides that the Board will grant Options only to Participants who have made valuable contributions to the business of the Group based on their performance and/or years of service, or who are regarded as valuable resources of the Group based on their work experience, knowledge in the industry and other relevant factors, or are expected to be able to contribute to the prosperity, business development or growth of the Group based on their business connection or network or other relevant factors.

LETTER FROM THE BOARD

The New Share Option Scheme enables the Company to grant Option(s) to the Participant(s) including the Employee Participant(s) and the Related Entity Participant(s).

Each of the Board and the independent non-executive Directors are of the view that the inclusion of the Related Entity Participants aligns with the purposes of the New Share Option Scheme, is fair and reasonable and in the long-term interests of the Company and the Shareholders as a whole as the Board is allowed to recognise and reward the joint involvement of the Related Entity Participants in projects and other business engagements relating to or having connections with the Group's ordinary and usual course of business while providing the Company flexibility to grant options (instead of cash reward or other settlement) to the Related Entity Participants when necessary. The grant of Option(s) to the Related Entity Participants could provide attractive incentives to facilitate a higher degree of collaboration and closer business relationships and ties between them and the Group and to strengthen their loyalty to the Group for enhancing the Group's sustainable and stable business operation and development.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select the Participant(s) to whom the Option(s) shall be granted. The basis of eligibility of the Participant(s) shall be determined by the Directors from time to time in their absolute discretion in accordance with all relevant factors, a summary of which is set out in Appendix I to this Supplemental Circular.

The Board may in its absolute discretion prescribe the terms on which the Option(s) is to be granted (including (i) the exercise price of the Option (subject to the Listing Rule requirements) and (ii) the minimum period for which an Option(s) must be held and/or a performance target which must be achieved before an Option can be exercised) either on a case by case basis or generally.

The Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in Appendix I to this Supplemental Circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme. The New Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to the Participants to contribute to the Group and to enable the Group to attract valuable human resources.

As at the Latest Practicable Date, there were 387,564,000 Shares in issue. The total number of Shares which may be issued under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 38,756,400 Shares, representing 10% of the Shares in issue as at the Adoption Date, assuming that no further Shares will be issued or repurchased between the Latest Practicable Date and the Adoption Date.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the Annual General Meeting and the termination of the Share Option Scheme 2016, the total number of the Shares which may be issued in respect 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 "**Scheme Mandate Limit**") shall not in aggregate, exceed 38,756,400 Shares, which represents 10% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

None of the Director is trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A copy of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company at Room 2202, 22/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this Supplemental Circular up to and including the date of the Annual General Meeting.

3. RECOMMENDATIONS

The Directors consider that the proposed granting of the Repurchase Mandate and the Issuance Mandate, the re-election of the retiring Directors and the termination of the Share Option Scheme 2016 and adoption of the New Share Option Scheme as set out in the Appendix of the Initial Circular and in the Appendix to this Supplemental Circular are all in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Since both the Initial Notice and the Initial Proxy Form that despatched together with the Initial Circular do not contain the proposed amendment to the resolution as set out in this Supplemental Circular, the supplemental notice of the Annual General Meeting and the Supplemental Proxy Form despatched together with this Supplemental Circular to include such deleted resolution. The supplemental notice is set out on pages 23 to 24 of this Supplemental Circular.

A Supplemental Proxy form, which shall supersede the Initial Proxy Form enclosed with the Initial Circular dated 21 July 2023, is also enclosed. Such revised form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com). Whether or not you are able to attend the Annual General Meeting or any adjourned meeting, please complete and sign the Supplemental Proxy Form in accordance with the instructions printed thereon and return as soon as practicable to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting. Completion and the delivery of the Supplemental Proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish and in such event, the Supplemental Proxy Form shall be deemed to be revoked.

A shareholder who has not yet lodged the Initial Proxy Form with the Company is requested to lodge the Supplemental Proxy Form if he/she wishes to appoint proxies to attend the Annual General Meeting on his/her behalf. In this case, the Initial Proxy Form should not be lodged with the Company.

LETTER FROM THE BOARD

A shareholder who has already lodged the Initial Proxy Form with the Company should note that:

- (i) if no Supplemental Proxy Form is lodged with the Company, the Initial Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the Annual General Meeting, including the revised proposed resolution set out in the supplemental notice of the Annual General Meeting.
- (ii) if the Supplemental Proxy Form is lodged with the Company 48 hours prior to the time appointed for holding the Annual General Meeting (the “**Closing Time**”), the Supplemental Proxy Form will revoke and supersede the Initial Proxy Form previously lodged by him/her. The Supplemental Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.
- (iii) if the Supplemental Proxy Form is lodged with the Company after the Closing Time, the Supplemental Proxy Form will be invalid. However, it will revoke the Initial Proxy Form previously lodged by the shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Initial Proxy Form or the Supplemental Proxy) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, shareholders are advised not to lodge the Supplemental Proxy Form after the Closing Time. In such case, if such Shareholders wish to vote at the Annual General Meeting, they will have to attend in person and vote at the Annual General Meeting themselves.

5. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix I (Summary of the Principal Terms of the New Share Option Scheme) to this Supplemental Circular.

Save as disclosed in the Supplemental Circular, all other information and content as set out in the Initial Circular remain unchanged.

6. RESPONSIBILITY STATEMENT

This Supplemental 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 Supplemental 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 Supplemental Circular misleading.

Yours faithfully,
By Order of the Board
Central Development Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group.

2. WHO MAY JOIN

The Participant include the Employee Participants and the Related Entity Participants. The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board from time to time on the basis of the Participant's contribution or potential contribution to the development and growth of the Group.

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any person is eligible to participate in this New Share Option Scheme include: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) his/her educational and professional qualifications, and knowledge in the industry; and (v) whether granting Options to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

The Employee Participant(s) include the independent non-executive Directors. The Company is of the view that it is appropriate to grant Options to the independent non-executive Directors because of the following reasons:

- (i) recognition of their continued effort for bringing in fresh perspectives, objective insights and independent judgment to the Board of which he/she serves as a member, which would contribute to the sustainable development of the Company's business; and
- (ii) based on their crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, as well as their vital role in maintaining a sound corporate governance framework and supervising the internal control system within the Group, the Board believes the inclusion of the independent non-executive Directors as the Employee Participant(s) and the flexibility to grant Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents and is in line with the purpose of the New Share Option Scheme.

While the Employee Participant(s) include the independent non-executive Directors, the Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options under the New Share Option Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by the independent Shareholders will be required if any Option is to be granted to the independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all the Options granted and to be granted to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Options to the independent non-executive Directors.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate in this New Share Option Scheme include: (i) the degree of involvement in and/or cooperation with the Group; (ii) the length of collaborative relationship the Related Entity Participants have established with the Group; (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participants have given or are likely to give towards the success of the Group; and (iv) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

Each of the Board and the independent non-executive Directors are of the view that apart from the contributions from employees, the success of the Group might also come from the efforts and contributions of non-employees such as Related Entity Participant(s) who has contributed to the Group or may contribute to the Group in the future. The Related Entity Participant(s) will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, reputation, operations and performance.

The Company had not granted any share options to the Related Entity Participants under the Share Option Scheme 2016. However, each of the Board and the independent non-executive Directors are of the view that the Company and the Related Entity Participant(s) have always had a close working relationship. Despite that Related Entity Participant(s) may not be directly appointed and employed by the members of the Group, such Related Entity Participant(s) are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's businesses.

The Group maintains close collaborative relationships with the Related Entity Participants, such as senior management of the Company's associated companies. They have extensive connections in the energy business in the PRC market and have been involved in projects and provided support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategies, sharing their experience and knowledge, and assisting the Group to growth with up-to-date technologies in energy business and regulatory requirements in the PRC market. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, and guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allows the Group to capture new opportunities for business development and promote the rapid development of a diversified energy business.

As such, certain Related Entity Participant(s) have joint involvement in work projects from time to time. Given the mix of workload, the Company feels that it is important to recognize the contribution or future contribution of such Related Entity Participant(s) and strengthen their loyalty to the Group by giving them incentives through their participation in the New Share Option Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies.

Each of the Board and the independent non-executive Directors believe that the grant of options to the Related Entity Participant(s) would strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; (ii) maintaining a stable and long-term relationship with the Group, and (iii) enabling the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group, whilst also aligning their interests with that of the Group and the Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders. Considering the features of the Company's business and the needs of the Company set out above, the Board is of the view that the proposed categories of the Related Entity Participant(s) is in line with the Company's business needs and the industry norm, and the criteria for the selection of the Participant(s) also align with the purpose of the New Share Option Scheme.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Participant(s). As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Options to be granted to these Participant(s), which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for these non-employee Participant(s)' contribution or potential contribution. The Board (including the independent non-executive Directors) consider that the criteria for selection of the Related Entity Participants as set out in the New Share Option Scheme and the discretion afforded to the Board to impose different terms and conditions (including performance targets and vesting conditions) on Options granted to such selected non-employee Eligible Participants, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

Therefore, the Board (including the independent non-executive Directors) consider that the proposed categories of the Employee Participant(s) and the Related Entity Participant(s) are in line with the Company's business needs and the industry norm, since the business nature of these Related Entity Participants are those which may benefit the energy business of the Company through a collaborative relationship. Each of the Board and the independent non-executive Directors of the Company also considers that the proposed categories of the Employee Participant(s) and the Related Entity Participant(s) are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. The grant of Options to the non-employee Participants will align their interests with the Group, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long term.

3. GRANT OF OPTION

On and subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time during the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the subscription price.

A grant of an Option shall be made to a Participant by letter (the “**Grant Letter**”) in such form as the Board may from time to time determine. The grant shall be personal to the Participant concerned and not transferable and shall remain open for acceptance by the Participant for a period of 28 days from the Grant Date, provided that no such grant shall be open for acceptance after the expiry of the Scheme Period or after the New Share Option Scheme has been terminated (if applicable).

An Option shall be regarded as having been accepted when the duplicate of the Grant Letter, comprising acceptance of the Option, duly signed by the Participant together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the Company within the 28-day period referred to in the preceding paragraph. The remittance shall not be refundable. Any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a board lot in which Shares are traded on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter and accepted by such Participant. To the extent that the grant of an Option is not accepted within 28 days from the Grant Date (or such shorter period as is mentioned in the Grant Letter) in the manner indicated in this paragraph, the grant will be deemed to have been irrevocably declined and shall lapse.

No Option may be made after an event which constitutes inside information (as defined in the SFO) of the Group has occurred or such matter has been the subject of a decision until such inside information has been announced in accordance with the Listing Rules and the SFO nor within the period commencing one month immediately before the earlier of (a) the date of the board meeting of the Company for the approval of the Company’s results for any financial period; and (b) the deadline for the Company to publish an announcement of its results for any financial period, and ending on the date of such results announcement (including any period of delay in publishing such results announcement).

4. SUBSCRIPTION PRICE

The subscription price for Shares under the New Share Option Scheme will be a price determined by the Board and notified to each Grantee and will be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the Grant Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet for the five Business Days immediately preceding the Grant Date; and (c) the nominal value of a Share.

5. VESTING PERIOD

Save for the circumstances prescribed below, the vesting period of the Options granted to any Participant shall not be less than 12 months.

The Board shall have the authority to determine a shorter vesting period to the Employee Participant(s) under the following specific circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an employee whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) 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 had to wait for the subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant; and
- (e) any other circumstances prescribed in sections 11 to 16.

The Board (or the Remuneration Committee where the arrangements relate to grants of options to the Company’s Directors and/or senior managers) are of the view that the discretion in allowing a shorter vesting period to the Employee Participant(s) in each of the circumstances as detailed in this Supplemental Circular is appropriate and in line with market practice. Such discretion provides the Company with more flexibility in (i) providing higher incentives when attracting talents; (ii) rewarding exceptional performers with accelerated vesting; and/or (iii) granting Option(s) in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme. The Directors are of the view that the New Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to the Employee Participant(s) to contribute to the Group and to enable the Group to attract valuable human resources.

6. MAXIMUM NUMBER OF SHARES

- (a) Subject to the approval of the Shareholders in general meeting, the maximum number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other schemes of the Company shall not in aggregate, exceed 38,756,400 Shares, which represents 10 per cent of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”).

Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

- (b) The Company may, subject to the approval of the Shareholders in general meeting and the issue of a circular in accordance with the requirements of the Listing Rules, refresh the Scheme Mandate Limit under the New Share Option Scheme after three years from the Adoption Date (or the date of Shareholders' approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10 per cent. (10%) of the relevant class of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. Options or awards lapsed in accordance with the terms of the New Share Option Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (c) The Company may grant Options to specifically identified Participant(s) beyond the Scheme Mandate Limit provided that the grant of such Options is specifically approved by the Shareholders in general meeting and a circular is issued in accordance with the requirements of the Listing Rules.
- (d) No Participant shall be granted an Option which would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue unless the grant of such Option is specifically approved by the Shareholders in general meeting and a circular in relation to the proposal for such further grant is issued in accordance with the requirements of the Listing Rules from time to time. The Participant and his associates shall abstain from voting at such general meeting. The number and terms (including the subscription price) of Options to be granted to such Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

7. REQUIREMENTS ON GRANTING TO DIRECTOR(S), CHIEF EXECUTIVE, SUBSTANTIAL SHAREHOLDER(S) OR ANY OF THEIR RESPECTIVE ASSOCIATE(S)

If Options are granted to a Director, chief executive, substantial Shareholder, or any of their respective associates the granting of such Options shall comply with the requirements of rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee of the Options). Where any grant of Options to an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.10% of the Shares in issue, such grant of Options must be approved by the Shareholders in compliance with rule 17.04(4) of the Listing Rules. A circular to Shareholders in connection with obtaining the aforesaid Shareholders' approval shall be prepared by the Company.

8. TIME OF EXERCISE OF OPTION

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee during the Option Period subject to a minimum period of no less than 12 months.

9. PERFORMANCE TARGET AND CLAWBACK MECHANISM

There is (i) no performance target that needs to be achieved by the Grantee before an Option can be exercised in whole or in part; and (ii) no clawback mechanism for the Company to recover or withhold any Options granted to any Grantee.

However, the New Share Option Scheme will give the Board discretion to impose such conditions as it sees fit on the Option and specify such conditions (including but not limited to performance targets and clawback mechanisms) in the Grant Letter for the Option where appropriate (if applicable). The Option(s) granted shall lapse and cannot be exercised with immediate effect if the Grantees, who is an employee (including any Directors), ceases to be an employee or a Director of the Group on the ground including, but without limitation to, that he or she has been guilty of serious misconduct.

Such performance target and clawback mechanism (if any) will be consistent with the purpose of the New Share Option Scheme as it recognizes and acknowledges the contributions or potential contributions made or to be made by the Participants. The Board (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) considers that it may not always be appropriate to impose performance targets particularly when the purpose of granting options is to remunerate or compensate employees. The Board is of the view that it is not practicable to expressly set out a generic set of performance targets in the New Share Option Scheme, as each Grantee will play different roles and contribute in different ways to the Group. The Board is of the view that it is more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed on a Grantee upon the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate, to (i) annual results and performance of the Group; (ii) for Employee Participants, the key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs to, and for Related Entity Participants, their contribution to the financial and operating results of the Company; and (iii) individual position, appraisal result and other factors relevant to the grantee. The satisfaction of which shall be assessed and determined by the Board at its sole discretion. The Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time. However, for the avoidance of doubt, the New Share Option Scheme does not specify any performance targets.

The Board will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Board will consider the past contributions of a Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Participant's expected contribution with reference to such Participant's nature of duties (e.g. whether in a sales role, management role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The management will propose the performance targets of each Participant in each grant of Options to the Board or the Remuneration Committee for consideration, who will then assess the reasonableness and suitability of such performance targets.

In recommending the grant of share options to Directors and employees, the Remuneration Committee will take into account factors like: (a) the purpose of the New Share Option Scheme which is to recognize and acknowledge the contribution the Participants have made or may make to our Group as well as to provide motivation and optimize the performance and efficiency of such Participants; (b) the remuneration practice of the Group; (c) the duration of employment, remuneration package and contribution of the Participants; and (d) the prevailing market practice and industry wide comparison in order to enhance the competitiveness of the Group to retain talents and to provide incentives and motivation for the Participants to perform better.

The Remuneration Committee has noted that the purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participant(s) to the Group and that the New Share Option Scheme does not restrictively specify the contribution. The Remuneration Committee will also consider (a) the importance of the roles and responsibilities of the Participants; (b) the past performance and contributions of the Participants; and (c) the expected contributions of the Participants to be made to the future development of the Group and is of the view that the grant of share options without any performance target aligns with the purpose of the New Share Option Scheme.

The Remuneration Committee were of the view that no performance target and clawback mechanism being recommended and set for the grants were appropriate considering:

- (i) fulfilment of the purpose of the New Share Option Scheme could be achieved without such requirements;
- (ii) the prevailing market practice at the time to the grant;
- (iii) The primary reason for the grants were to recognize the commitment, support and satisfactory performance of the Participants;

- (iv) the leadership, management and strategic business development provided by the executive Director; and
- (v) in line with the general practice of the Company to grant share options with shorter vesting period to Employee Participant(s) and without any performance target and clawback mechanism.

10. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this paragraph, forthwith revoke any Option granted to such Grantee (to the extent not already exercised) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damage against the Company or any of its directors for such revocation provided that the Company has acted in good faith.

11. RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an outstanding Option ceasing to be such Employee Participant(s) for any reason, other than his death, ill health, disability or insanity or the termination of his employment or office on one or more of the grounds specified in paragraph 17(e), the grantee may only exercise the option within a period of one (1) month thereafter (or such longer period as the Board may determine). A strict twelve (12)-month vesting requirement would not be fair to the Employee Participant(s), such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It provides the Company with more flexibility to formulate its own talent recruitment and retention strategies.

12. RIGHTS ON DEATH

Subject to paragraph 17(e), if the Employee Participant(s) of an outstanding Option dies, the personal representatives of the Employee Participant(s) may only exercise the option within a period of twelve (12) months thereafter (or such longer period as the Board may determine). Such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It provides the Company with more flexibility to reward the Employee Participants(s) due to occurrence of out of control event.

13. RIGHTS ON ILL HEALTH

Subject to paragraph 17(e), if the Grantee of an outstanding Option ceasing to be such Employee Participant(s) by reason of ill health, disability or insanity and none of the events which would be a ground for termination of his employment or office specified in paragraph 17(e) has occurred, such Grantee or the legal personal representative(s) of that Grantee may only exercise the option within a period of six (6) months thereafter (or such longer period as the Board may determine). A strict twelve (12)-month vesting requirement would not be fair to the Employee Participant(s), such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It provides the Company with more flexibility due to occurrence of out of control event.

14. RIGHTS ON TAKEOVER

If a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Employee Participant(s) (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse. A strict twelve (12)-month vesting requirement would not be fair to the Employee Participant(s), such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It enables the Company to achieve the purpose of the New Share Option Scheme due to exceptional circumstances.

15. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Employee Participant(s) (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Employee Participant(s) (or his legal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than thirty (30) days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription 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 record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Act, in connection with a proposed compromise or arrangement between the Company and its members (or any class of them), the Employee Participant(s) may by notice in writing to the Company within twenty-one (21) days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent

specified in such notice. A strict twelve (12)-month vesting requirement would not be fair to the Employee Participant(s), such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It enables the Company to achieve the purpose of the New Share Option Scheme due to exceptional circumstances.

16. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Employee Participant(s) (or his or her personal representative(s)) on the same day as it gives notice of the meeting to, its shareholders or creditors to consider such compromise or agreement, and thereupon the Employee Participant(s) (or his or her personal representative(s)) may, during the period commencing with the date of the aforesaid notice and ending with the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of an Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Board shall endeavour, subject to applicable laws and regulations, to procure that the Shares issued as a result of the exercise of the Options under this paragraph shall for the purpose of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Employee Participant(s) to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Employee Participant(s) as a result of the aforesaid suspension. Such discretion in allowing a shorter vesting period is appropriate and in line with market practice. It enables the Company to achieve the purpose of the New Share Option Scheme due to exceptional circumstances.

17. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in paragraphs 11, 12, 13, 14 or 15;

- (c) subject to paragraph 14, the earliest of the close of business on the second Business Day prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in paragraph 14 or the date of the commencement of the winding up of the Company;
- (d) save as otherwise provided in paragraph 13 or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Act by the Supreme Court of Bermuda of a compromise or arrangement between the Company and its members or creditors 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;
- (e) where the Grantee is an employee (including any executive director) or an officer (including any non-executive director and independent non-executive director) of the Company or any Subsidiary, the date on which the Grantee ceases to be such employee or officer by reason of the termination of his employment or office on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (f) where the Grantee is in an Eligible Relationship (other than in a position as an employee or officer) with the Company or any Subsidiary, the date on which the Grantee ceases to be in such Eligible Relationship with the Company or any Subsidiary for any reason;
- (g) where the Grantee commits a breach as stated in paragraph 9, the date on which the Board shall exercise the Company's right to cancel the Option;
- (h) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or
- (i) the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the grant of an Option, if any.

18. EFFECTS OF REORGANISATION OF TO CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in: (i) the number of Shares subject to the New Share Option Scheme; (ii) the number of Shares subject to outstanding Options; and/or; (iii) the subscription price in relation to each outstanding Option, provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this paragraph, other than any made on a capitalisation issue, an independent financial adviser or the auditor of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing provision. The capacity and role of the independent financial adviser or the auditor of the Company under this paragraph is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the auditor of the Company shall be borne by the Company.

19. RANKING OF SHARES

The Shares to be allotted upon exercise of Options will be subject to all the provisions of the Articles of Association and will rank *pari passu* in all respects with the other Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the relevant date of allotment.

20. CANCELLATION OF OPTIONS GRANTED

The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the New Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10-per cent. limits as referred to in paragraph 6 above.

21. PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain valid for a period of 10 years commencing on the Adoption Date (subject to early termination).

The Company may by resolution in general meeting or at a meeting of the Board at any time terminate the operation of the New Share Option Scheme and in such event no further Option shall be offered or accepted but the Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.

22. ALTERATION TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except any alterations to the provisions relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees unless approved by the Shareholders in general meeting. Any change to the terms of the Option granted to a Grantee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this New Share Option Scheme. Any alteration to the terms and conditions of this New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules from time to time. Any change to the authority of the Directors or New Share Option Scheme administrators to alter the terms of the New Share Option Scheme must be approved by Shareholders in the general meeting.

23. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme and to terminate the Share Option Scheme 2016; and (b) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING



CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

This notice is supplemental to the notice of the annual general meeting (the “**Annual General Meeting**”) of Central Development Holdings Limited (the “**Company**”) dated 21 July 2023 (the “**Initial Notice**”) to convene the Annual General Meeting which will be held at 24/F., OfficePlus@Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong on Thursday, 7 September 2023 at 10:00 a.m.

Details of the proposed resolutions to be considered at the Annual General Meeting were stated in the Initial Notice. Unless otherwise stated, terms defined herein shall have the same meanings as those defined in the circular of the Company dated 21 July 2023 and the supplemental circular of the Company dated 23 August 2023. Apart from the amendment stated below, all the information contained in the Initial Notice remains to be valid and effective.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held as originally scheduled. In addition, as set out in this supplemental circular of the Company, the resolution under item numbered 7 stated in the Initial Notice should be deleted in its entirety:

~~“7. **THAT** conditional upon the New Share Option Scheme being approved and adopted by way of ordinary resolution of the Company numbered 6(a) above, the sublimit on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all share schemes of the Company of 1 per cent of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”~~

By Order of the Board
Central Development Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 23 August 2023

As at the date of this notice, the Board consists of four executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Zhang Bing; a non-executive Director, Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun Ivy Connie and Ms. Zhong Yingjie, Christina.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Please refer to the Initial Notice for details of other resolutions to be proposed at the Annual General Meeting and other relevant matters.
- (2) For the purpose of determining the shareholders who are entitled to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Monday, 4 September 2023 to Thursday, 7 September 2023, both dates inclusive. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Friday, 1 September 2023.
- (3) Since the form of proxy of the Company dated 21 July 2023 does not reflect the revision of the resolutions in the form as set out in this Supplemental Notice of the Annual General Meeting, a supplemental proxy form (the “**Supplemental Proxy Form**”) is enclosed for use at the Annual General Meeting. For details, please refer to the section headed “Supplemental Proxy Form” of the Supplemental Circular.
- (4) In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and for good corporate governance practice, the Chairman of the Board has indicated that he would direct that each of the resolutions set out in the notice of the Annual General Meeting and the supplemental notice of the Annual General Meeting be voted on by poll. The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com) respectively.
- (5) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. A proxy need not be a member of the Company.
- (6) In order to be valid, the Supplemental Proxy Form must be deposited at the Company’s branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or certified copy of such power of attorney or authority, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and the delivery of the Supplemental Proxy Form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.
- (7) A Supplemental Proxy Form for use in connection with the Annual General Meeting is enclosed and such Supplemental Proxy Form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.475hk.com) respectively.
- (8) A shareholder who has not yet lodged the Initial Proxy Form with the Company is requested to lodge the Supplemental Proxy Form if he/she wishes to appoint proxies to attend the Annual General Meeting on his/her behalf. In this case, the Initial Proxy Form should not be lodged with the Company.
- (9) A shareholder who has already lodged the Initial Proxy Form with the Company should note that:
 - (i) if no Supplemental Proxy Form is lodged with the Company, the Initial Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the Annual General Meeting, including the revised proposed resolution set out in the supplemental notice of the Annual General Meeting.
 - (ii) if the Supplemental Proxy Form is lodged with the Company 48 hours prior to the time appointed for holding the Annual General Meeting (the “**Closing Time**”), the Supplemental Proxy Form will revoke and supersede the Initial Proxy Form previously lodged by him/her. The Supplemental Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.
 - (iii) if the Supplemental Proxy Form is lodged with the Company after the Closing Time, the Supplemental Proxy Form will be invalid. However, it will revoke the Initial Proxy Form previously lodged by the shareholder, and any vote that may be cast by the purported proxy (whether appointed under the Initial Proxy Form or the Supplemental Proxy) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, shareholders are advised not to lodge the Supplemental Proxy Form after the Closing Time. In such case, if such Shareholders wish to vote at the Annual General Meeting, they will have to attend in person and vote at the Annual General Meeting themselves
- (10) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force within a period of two (2) hours before the commencement of the Annual General Meeting, subject to consent of the meeting, the Annual General Meeting will be adjourned. The Company will post an announcement on the Company’s website (www.475hk.com) and the Stock Exchange’s website (www.hkexnews.hk) to notify Shareholders about the date, time and place of the adjourned meeting. The Annual General Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Annual General Meeting under bad weather condition bearing in mind their own situations.