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If you have sold or transferred all your shares in China Zhongwang Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中国忠旺控股有限公司*

China Zhongwang Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01333)

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF RETIRING DIRECTORS, PROPOSED ADOPTION OF 2018 SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice of the Annual General Meeting of China Zhongwang Holdings Limited to be held at Conference Room, 1st Floor, Financial Building, Liaoning Zhongwang Group Co., Ltd., No. 299, Wensheng Road, Hongwei District, Liaoyang City, Liaoning Province, China on Friday, 25 May 2018 at 10:00 a.m. (Beijing time) is set out in this circular.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

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DEFINITIONS

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

“Adoption Date”	the date on which the 2018 Share Option Scheme is adopted by the Shareholders at the Annual General Meeting
“Annual General Meeting” or “AGM”	the annual general meeting or any adjournment thereof of the Company to be held at Conference Room, 1st Floor, Financial Building, Liaoning Zhongwang Group Co., Ltd., No. 299, Wensheng Road, Hongwei District, Liaoyang City, Liaoning Province, China on Friday, 25 May 2018 at 10:00 a.m. (Beijing time)
“Articles”	the articles of association of the Company for the time being
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Zhongwang Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 17 April 2008, as effective upon the listing of the Shares of the Company on the Stock Exchange
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate number of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate number not exceeding 20% of the total number of the Shares of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	16 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	a right to be granted to the Participant to subscribe for Shares pursuant to the terms of the 2018 Share Option Scheme
“Participant”	any directors, officers, employees (including, without limitation, those employed for a fixed term) and contract consultants (including executive and non-executive consultants) of any member of the Group as determined by the Board from time to time
“PRC”	The People’s Republic of China which for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate number not exceeding 10% of the total number of the Shares of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme Mandate Limit”	the initial limit proposed under the rules of the 2018 Share Option Scheme on the total number of Shares which may be issued upon the exercise of all Options, being 10% of the Company’s issued share capital as at the Adoption Date, which may be renewed or refreshed pursuant to the rules of the 2018 Share Option Scheme and Chapter 17 of the Listing Rules
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“2018 Share Option Scheme”	the share option scheme proposed to be adopted at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular
“%”	per cent.

中国忠旺控股有限公司*

China Zhongwang Holdings Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 01333)

Executive Directors:

Mr. Lu Changqing
Ms. Ma Qingmei

Non-executive Directors:

Mr. Chen Yan
Mr. Liu Zhisheng
Mr. Zhang Hui

Independent Non-executive Directors:

Mr. Wong Chun Wa
Mr. Wen Xianjun
Mr. Shi Ketong
Mr. Lo Wa Kei, Roy

Registered Office:

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

***Head Office and Principal Place of
Business in the PRC:***

No. 299, Wensheng Road
Liaoyang City
Liaoning 111003
PRC

42/F China World Tower
No.1 Jianguomenwai Avenue
Beijing 100004
PRC

Place of Business in Hong Kong:

56/F
Bank of China Tower
1 Garden Road, Admiralty
Hong Kong

24 April 2018

To the Shareholders,

Dear Sirs,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED ADOPTION OF
2018 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to (i) grant the general mandates to issue and repurchase Shares, (ii) grant the Extension Mandate to the Directors, (iii) re-elect retiring

* For identification purpose only

LETTER FROM THE BOARD

Directors and (iv) adopt the 2018 Share Option Scheme. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things,

- (i) the grant of the Issue Mandate to the Directors;
- (ii) the grant of the Repurchase Mandate to the Directors;
- (iii) the grant of the Extension Mandate to the Directors;
- (iv) the proposed re-election of retiring Directors; and
- (v) the adoption of the 2018 Share Option Scheme.

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate number not exceeding 20% of the total number of the Shares in issue as at the date of passing the relevant resolution. As at the Latest Practicable Date, a total of 5,449,473,140 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 1,089,894,628 Shares.

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, Shares with an aggregate number not exceeding 10% of the total number of the Shares in issue as at the date of passing the relevant resolution.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

EXTENSION MANDATE

In addition, an ordinary resolution will also be proposed at the Annual General Meeting to extend the Issue Mandate by an addition of an amount representing the aggregate number of Shares repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant to the Repurchase Mandate or the Issue Mandate.

RE-ELECTION OF RETIRING DIRECTORS

According to the Articles, at each annual general meeting, at least 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 provided that every Director shall be subject to retirement at least once every three years. The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board.

The Board currently consists of nine Directors. The executive Directors are Mr. Lu Changqing and Ms. Ma Qingmei. The non-executive Directors are Mr. Chen Yan, Mr. Liu Zhisheng and Mr. Zhang Hui. The independent non-executive Directors are Mr. Wong Chun Wa, Mr. Wen Xianjun, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy.

As such pursuant to the Articles, Mr. Wen Xianjun, Mr. Lo Wa Kei, Roy and Mr. Chen Yan will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Particulars of each of them are set out in Appendix II to this circular. Further, since Ms. Ma Qingmei, Mr. Liu Zhisheng and Mr. Zhang Hui were appointed as Directors by the Board on 17 November 2017 pursuant to article 83(3) of the Company's Articles, each of them will hold office until the Annual General Meeting and shall also be subject to re-election thereat.

Pursuant to Code Provision A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Notwithstanding that each of Mr. Wen Xianjun and Mr. Lo Wa Kei, Roy has served as an independent non-executive Director for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that each of Mr. Wen Xianjun and Mr. Lo Wa Kei, Roy remains independent; (ii) the nomination and remuneration committee of the Company has assessed and is satisfied of the independence of each of Mr. Wen Xianjun and Mr. Lo Wa Kei, Roy; and (iii) the Board considers that each of Mr. Wen Xianjun and Mr. Lo Wa Kei, Roy remains independent of management and free of any relationship which could materially interfere with the exercise of his independent judgment. In view of the aforesaid factors and the experience and knowledge of the relevant individual, the Board would recommend each of Mr. Wen Xianjun and Mr. Lo Wa Kei, Roy for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF 2018 SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme will expire on 17 April 2018, being the tenth anniversary after the adoption date of the Existing Share Option Scheme. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option schemes.

The initial total number of Shares in respect of which options may be granted under the Existing Share Option Scheme was 540,000,000, being 10% of the Shares in issue upon the listing of the Company. The limit on the total number of Shares which may be granted under the Existing Share Option Scheme was refreshed to 544,947,314 Shares (representing 10% of the Shares in issue at the date of approval of refreshment) by way of ordinary resolution passed in the annual general meeting of the Company held on 28 June 2016. As at the Latest Practicable Date, the total number of Shares in respect of which options have been granted and remained outstanding under the Existing Share Option Scheme was 399,900,000 Shares (representing 7.34% of the Shares in issue as at the Latest Practicable Date).

Upon expiry of the Existing Share Option Scheme on 17 April 2018, no further options will be granted thereunder, but in all other respects, subject to the provisions under Chapter 17 of the Listing Rules, the Existing Share Option Scheme shall remain in full force and effect, and the options granted thereunder may continue to be exercisable in accordance with the terms of issue thereof.

The Board now proposes the adoption of the 2018 Share Option Scheme for approval by the Shareholders. The purpose of the 2018 Share Option Scheme is to provide incentives and rewards to Participants for their contribution to the Group and to enable the Group to recruit and retain high-caliber employees and attract human resources that are available to the Group. The 2018 Share Option Scheme will allow the Board to retain the flexibility to reward those Participants with options in lieu of cash, thus incentivising these Participants to contribute in a way that enhances the value of the Shares while preserving cash and liquidity for the Group. The 2018 Share Option Scheme is intended to (a) motivate the Participants to enhance their performance; and (b) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

The 2018 Share Option Scheme

There is no material difference between the terms of the Existing Share Option Scheme and the 2018 Share Option Scheme.

On the basis of 5,449,473,140 Shares in issue as at the Latest Practicable Date, the 30% scheme limit under Rule 17.03(3) of the Listing Rules allows there to be outstanding options granted and yet to be exercised under the Existing Share Option Scheme and any other share option schemes of the Company amounting to 1,634,841,942 Shares. Accordingly, assuming that none of the outstanding options under the Existing Share Option Scheme to subscribe for 399,900,000 Shares (representing approximately 7.34% of the total issued Shares as at the Latest Practicable Date) is exercised, even if the 2018 Share Option Scheme Mandate Limit is to be utilized in full in granting the Options, the total number of Shares that will be subject to all such options will be well within the 30% scheme limit.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no immediate plan to grant Options upon the approval of the adoption of the 2018 Share Option Scheme.

Principal terms of 2018 Share Option Scheme

A summary of the rules of the 2018 Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the 2018 Share Option Scheme is available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 56/F., Bank of China Tower, 1 Garden Road, Admiralty, Hong Kong for a 14-day period immediately preceding the Annual General Meeting. None of the Directors are appointed as trustees of the 2018 Share Option Scheme or have a direct or indirect interest in the trustees of the 2018 Share Option Scheme, if any. There is no trustee with respect to the 2018 Share Option Scheme.

Unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the Option, there is neither any performance target that need to be achieved by the grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The Board confirms that all terms under the 2018 Share Option Scheme comply with Chapter 17 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the 2018 Share Option Scheme.

Conditions of the 2018 Share Option Scheme

The adoption of the 2018 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at the Annual General Meeting approving the adoption of the 2018 Share Option Scheme and authorizing the Directors to grant Options to subscribe for Shares and to allot, issue and deal with Share pursuant to the exercise of any Option; and
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the new Shares which may be issued pursuant to the exercise of Options.

Share Option Scheme Mandate Limit

As at the Latest Practicable Date, there were 5,449,473,140 Shares in issue. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Adoption Date, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options and options to be granted under any other share option schemes of the Company will be 544,947,314 Shares, representing 10% of the Shares in issue as at the Adoption Date. The maximum number of Shares that may be allotted and issued upon exercise of all Options and options to be granted under any other share option schemes of the Company may be refreshed as detailed in Appendix III to this circular.

LETTER FROM THE BOARD

Value of Options

The Directors consider it inappropriate to value all the Options that can be granted under the 2018 Share Option Scheme on the assumption that they were granted on the Latest Practicable Date as a number of factors crucial for the valuation cannot be determined. Such factors include the exercise period and the conditions, such as performance targets, if any, that an Option to which is subject. Accordingly, any valuation of the Options based on a large number of speculative assumptions would not be meaningful but would be misleading to the Shareholders.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Annual General Meeting will be held at Conference Room, 1st Floor, Financial Building, Liaoning Zhongwang Group Co., Ltd., No. 299, Wensheng Road, Hongwei District, Liaoyang City, Liaoning Province, China on Friday, 25 May 2018 at 10:00 a.m. (Beijing time). The notice of the Annual General Meeting is set out in this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the Annual General Meeting will be put to the vote by way of a poll. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of Directors named above and the proposed adoption of the 2018 Share Option Scheme are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Accordingly, the Directors recommend that Shareholders vote in favour of the corresponding ordinary resolutions for approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the re-election of the retiring Directors and the proposed adoption of the 2018 Share Option Scheme.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members will be closed from Friday, 18 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of shares will be registered.

Subject to approval of the shareholders of the Company on the final dividend distribution for the year ended 31 December 2017, for the purposes of determining the shareholders of the Company who are entitled to the final dividend, the register of members of the Company will be closed from Thursday, 31 May 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of shares in the Company will be effected.

In order to be entitled to attending and voting at the Annual General Meeting and/or the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Thursday, 17 May 2018 and/or Wednesday, 30 May 2018, respectively.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
China Zhongwang Holdings Limited
Cui Weiye
Joint Company Secretary

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. THE GENERAL MANDATE TO REPURCHASE SHARES

As at the Latest Practicable Date, there were a total of 5,449,473,140 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 544,947,314 Shares, which represents 10% of the Shares in issue as at the date of passing the resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Law. The laws of the Cayman Islands provide that any repurchases may be made out of funds which would otherwise be available for dividend or distribution or out of proceeds of a fresh issue of shares made for the purpose, or if so authorized by the Articles and subject to the Companies Law, out of capital. Any premium on a repurchase may be made out of funds which would otherwise be available for dividend or distribution or out of the Company's share premium account, or if so authorized by the Articles and subject to the Companies Law, out of capital. It is envisaged that the funds required for any repurchase of the Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it will not have a material adverse effect on the working capital and/or the gearing position of the Company as reflected in the latest audited financial statements of the Company. The Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

5. SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	Price per Share	
	Highest <i>HKD</i>	Lowest <i>HKD</i>
2017		
April	3.55	3.31
May	3.48	3.29
June	3.57	3.26
July	4.00	3.35
August	4.90	3.78
September	4.18	3.74
October	4.62	3.96
November	4.43	3.54
December	4.28	3.56
2018		
January	4.59	4.16
February	4.58	3.78
March	4.72	4.00
April (up to the Latest Practicable Date)	4.86	4.46

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises 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 Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, our controlling shareholder (as defined under the Listing Rules), Mr. Liu Zhongtian, controls the exercise of 74.16% voting rights in the general meeting of the Company pursuant to the interest held by him and his close associates (as defined in the Listing Rules) in the 4,041,500,000 Shares, representing 74.16% of the total issued Shares.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the interest held by Mr. Liu and his close associates would increase to approximately 82.40% voting rights in the general meeting of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company did not purchase any of its Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

8. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders at the Annual General Meeting.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Articles, the Listing Rules and applicable laws of the Cayman Islands.

No core connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted by the Shareholders at the Annual General Meeting.

Particulars of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

Mr. CHEN Yan (“Mr. Chen”) (陳岩), aged 38, is a non-executive Director. He is primarily responsible for the planning and operation and management of Liaoning Zhongwang Group Co., Ltd. (“Liaoning Zhongwang”). He is also a member of the board of directors of 21 subsidiaries including Liaoning Zhongwang and Tianjin Zhongwang Aluminium Company Limited (“Tianjin Zhongwang”). He has 17 years of experience in aluminium processing industry. Mr. Chen has held various positions in financial and operation management since he joined our Group in August 2001, and he has been appointed as a general manager of Liaoning Zhongwang in September 2017. Mr. Chen received a diploma in accounting computerization from Liaoning Taxation College (遼寧稅務高等專科學校), China in 2001 and a certificate for intermediate-level accountant from the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) in 2005. He was appointed as an executive Director on 3 April 2008 and re-designated as non-executive Director on 19 August 2016. Mr. Chen was elected as a director of J.K. Life Insurance Corporation on 23 December 2016 and was approved by the China Insurance Regulatory Commission on 18 July 2017.

Mr. Chen has entered into a service contract with the Company under which he has agreed to act as a non-executive Director for a term of three years with effect from 19 August 2016, which may be terminated by not less than three months’ notice in writing served by either Mr. Chen or the Company. Pursuant to the service contract, Mr. Chen is entitled to receive a total annual remuneration of RMB1,500,000, which is determined with reference to his duties and responsibilities as well as the Company’s performance and profitability. He receives no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Mr. Chen did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does he have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As at the Latest Practicable Date, Mr. Chen had interests in 42,000,000 shares of the Company (including 42,000,000 share options which entitle him to subscribe for 42,000,000 shares of the Company). Save as the above, Mr. Chen does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. WEN Xianjun (“**Mr. Wen**”) (文獻軍), aged 55, is an independent non-executive Director, the chairman of the nomination and remuneration committee and a member of the audit committee, corporate governance committee and strategy and development committee of the Company. Since April 2008, Mr. Wen has been a member of the party committee (常委) and the vice chairman (副會長) of China Nonferrous Metals Industry Association (中國有色金屬工業協會). He has over 30 years’ experience in the nonferrous metals industry. Mr. Wen served as an independent director of Henan Zhongfu Industrial Co., Ltd. (October 2009 to November 2014), a Shanghai listed company, and an independent director of Ningxia Orient Tantalum Industry Co., Ltd. (April 2011 to October 2014), Suzhou Lopsking Aluminium Co. Ltd. (October 2013 to October 2014) and Jiaozuo Wanfang Aluminium Manufacturing Co., Ltd. (July 2013 to February 2016), these are Shenzhen listed companies. Mr. Wen was the vice president and general secretary of the aluminium branch of, and the director of the aluminium department of, China Nonferrous Metals Industry Association from 2006 to 2008. He was the director of the Industry Administration Department of the State Nonferrous Metals Industry Administration of China (中國國家有色金屬工業局工業管理司) from 1998 to 2000. He served as an engineer in the technology bureau, and deputy director of the investment and operation department, of China Nonferrous Metals Industry Corporation (中國有色金屬工業總公司) from 1990 to 1992 and from 1996 to 1998, respectively. From 1992 to 1996, Mr. Wen was a deputy director of the Development and Exchange Centre of China Nonferrous Metals Industry Technology (中國有色金屬技術開發交流中心). He served as an assistant engineer in Beijing General Research Institute for Nonferrous Metals (北京有色金屬研究總院) from 1984 to 1987. Mr. Wen received a bachelor’s degree in metallic materials from Central South University (中南大學) (formerly known as Central South Institute of Mining and Metallurgy (中南礦冶學院)), China in 1984 and a master’s degree in metallic materials from Beijing General Research Institute for Nonferrous Metals (北京有色金屬研究總院), China in 1990. He received the title of professor-level senior engineer (教授級高級工程師) from China Nonferrous Metals Industry Association in 2007. He was appointed as an independent non-executive Director on 1 August 2008.

Mr. Wen has entered into an appointment letter with the Company under which he has agreed to act as an independent non-executive Director for a term of three years with effect from 1 August 2017, which may be terminated by not less than three months’ notice in writing served by either Mr. Wen or the Company. Pursuant to the appointment letter, Mr. Wen is entitled to receive a total annual remuneration of RMB200,000, which is determined with reference to his duties and responsibilities as well as the Company’s performance and profitability. He receives no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Mr. Wen did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does he have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As of the Latest Practicable Date, Mr. Wen had interests in 600,000 shares of the Company (including 600,000 share options which entitle him to subscribe for 600,000 shares of the Company). Save as the above, Mr. Wen does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. LO Wa Kei, Roy (“Mr. Lo”) (盧華基), aged 46, is an independent non-executive Director and the chairman of the corporate governance committee of the Company. Mr. Lo has over 23 years of experience in auditing, accounting and finance. Mr. Lo is the Managing Partner of SHINEWING (HK) CPA Limited. He has been serving as an independent non-executive director of Sun Hing Vision Group Holdings Limited, Sheen Tai Holdings Group Company Limited, China Oceanwide Holdings Limited (previously known as “Hutchison Harbour Ring Limited”) and Xinming China Holdings Limited, since 1999, 2012, 2014 and 2015, and he has been serving as an independent non-executive director of China Oceanwide International Financial Limited (previously known as “Quam Limited”), Wan Kei Group Holdings Limited and G-Resources Group Limited since 2017, all of which are Hong Kong listed companies. He also served as an independent non-executive director of United Photovoltaics Group Limited (previously known as “Time Infrastructure Holdings Limited”) and North Mining Shares Company Limited (previously known as “Sun Man Tai Holdings Company Limited”). Mr. Lo received a bachelor’s degree in business administration from the University of Hong Kong in 1993 and a master’s degree in professional accounting from Hong Kong Polytechnic University in 2000. He is a certified public accountant, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of CPA Australia and an associate of the Institute of Chartered Accountants in England and Wales. Mr. Lo is also the member of the Shanghai Pudong New Area Committee of the Chinese People’s Political Consultative Conference, the founding executive vice-president and council member of the Hong Kong Independent Non-Executive Director Association and the Divisional Deputy President – Greater China of CPA Australia. He was appointed as an independent non-executive Director on 11 February 2009.

Mr. Lo has entered into an appointment letter with the Company under which he has agreed to act as an independent non-executive Director for a term of three years with effect from 11 February 2018, which may be terminated by not less than three months’ notice in writing served by either Mr. Lo or the Company. Pursuant to the appointment letter, Mr. Lo is entitled to receive a total annual remuneration of RMB200,000, which is determined with reference to his duties and responsibilities as well as the Company’s performance and profitability. He receives no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Mr. Lo did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does he have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As of the Latest Practicable Date, Mr. Lo had interests in 1,600,000 shares of the Company (including 1,600,000 share options which entitle him to subscribe for 1,600,000 shares of the Company). Save as the above, Mr. Lo does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Ms. MA Qingmei (“**Ms. Ma**”) (馬青梅), aged 40, is an executive Director and a member of the strategy and development committee of the Company. She is primarily responsible for the planning, operation and management of Tianjin Zhongwang. She is also a member of the board of directors of 8 subsidiaries including Tianjin Zhongwang. After joining Liaoning Zhongwang in 2007, Ms. Ma worked with the smelting and casting mill of Liaoning Zhongwang. She has been appointed as a deputy general manager of Liaoning Zhongwang since January 2011 and was responsible for extrusion technology and quality management system of Liaoning Zhongwang for the period from April 2016 to September 2017. Ms. Ma was appointed as the chairman of Tianjin Zhongwang in September 2017. Ms. Ma achieved a master degree in Physical Chemistry of Metallurgy from Northeastern University in March 2007 and is studying a doctoral degree in materials processing engineering at Northeastern University. Ms. Ma was appointed as an executive Director on 17 November 2017.

Ms. Ma has entered into a service contract with the Company under which she has agreed to act as an executive Director for a term until the date of the Annual General Meeting with effect from 17 November 2017, which may be terminated by not less than three months’ notice in writing served by either Ms. Ma or the Company. Pursuant to the service contract, Ms. Ma is entitled to receive a total annual remuneration of RMB1,500,000, which is determined with reference to her duties and responsibilities as well as the Company’s performance and profitability. She will receive no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Ms. Ma did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does she have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As at the Latest Practicable Date, Ms. Ma holds the options granted to her under the Existing Share Option Scheme of the Company entitling her to subscribe for a total of 3,800,000 shares of the Company. Save as the above, Ms. Ma does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. LIU Zhisheng (劉志生), aged 43, is a non-executive Director. He is primarily responsible for the financial matters of Liaoning Zhongwang. He is also a member of the board of directors of 15 subsidiaries including Liaoning Zhongwang. He has 18 years of experience in aluminum processing industry. After joining Liaoning Zhongwang in August 2000, Mr. Liu Zhisheng held a number of managerial positions in finance and operation. He was appointed as a deputy general manager of Liaoning Zhongwang since March 2006. Mr. Liu Zhisheng received a diploma in computerised accounting from Liaoning Provincial College of Finance in China (中國遼寧財政高等專科學校) in July 2000, and obtained an intermediate accountant certificate from the Ministry of Finance of the People's Republic of China in September 2003. Mr. Liu Zhisheng was appointed as a non-executive Director on 17 November 2017.

Mr. Liu Zhisheng has entered into a service contract with the Company under which he has agreed to act as a non-executive Director for a term until the date of the Annual General Meeting with effect from 17 November 2017, which may be terminated by not less than three months' notice in writing served by either Mr. Liu Zhisheng or the Company. Pursuant to the service contract, Mr. Liu Zhisheng is entitled to receive a total annual remuneration of RMB1,500,000, which is determined with reference to his duties and responsibilities as well as the Company's performance and profitability. He will receive no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Mr. Liu Zhisheng did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does he have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As at the Latest Practicable Date, Mr. Liu Zhisheng is deemed to be interested in 11,300,000 shares of the Company, which includes (i) the options granted to him under the Exiting Share Option Scheme of the Company entitling him to subscribe for a total of 5,700,000 shares of the Company and (ii) the options granted to his spouse under the Exiting Share Option Scheme of the Company entitling her to subscribe for a total of 5,600,000 shares of the Company. Save as the above, Mr. Liu Zhisheng does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. ZHANG Hui (“**Mr. Zhang**”) (張輝), aged 40, is a non-executive Director. He is primarily responsible for the planning, operation and management of Yingkou Zhongwang Aluminium Company Limited (“Yingkou Zhongwang”). He is also a member of the board of directors of 15 subsidiaries including Yingkou Zhongwang. After joining Liaoning Zhongwang in 1997, Mr. Zhang has been responsible for the production and sale of aluminium extrusion. He was appointed as a deputy general manager of Liaoning Zhongwang since December 2011 and the chairman and general manager of Yingkou Zhongwang in October 2016. Mr. Zhang achieved a professional certificate of Machinery Electric at Shenyang University of Technology in April 2003. Mr. Zhang was appointed as a non-executive Director on 17 November 2017.

Mr. Zhang has entered into a service contract with the Company under which he has agreed to act as a non-executive Director for a term until the date of the Annual General Meeting with effect from 17 November 2017, which may be terminated by not less than three months’ notice in writing served by either Mr. Zhang or the Company. Pursuant to the service contract, Mr. Zhang is entitled to receive a total annual remuneration of RMB1,500,000, which is determined with reference to his duties and responsibilities as well as the Company’s performance and profitability. He will receive no other compensation from the Company or any of its subsidiaries.

Save as disclosed above, Mr. Zhang did not hold any directorship in other public companies, the securities of which are listed on any securities market in mainland China, Hong Kong or overseas in the last three years, nor does he have any relationship with any director, substantial or controlling shareholder or senior management of the Company. As at the Latest Practicable Date, Mr. Zhang holds the options granted to him under the Existing Share Option Scheme of the Company entitling him to subscribe for a total of 5,700,000 shares of the Company. Save as the above, Mr. Zhang does not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Set out below is a summary of the principal terms of the 2018 Share Option Scheme proposed to be adopted at the Annual General Meeting.

The terms of the 2018 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

- (a) The purpose of the 2018 Share Option Scheme is to provide the Participants (defined in paragraph (b) below) who have been granted options (the “Options”) under the 2018 Share Option Scheme to subscribe for Shares (the “Grantees”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The 2018 Share Option Scheme will provide the Company with a flexible means of either retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.
- (b) The 2018 Share Option Scheme is subject to the administration of the Board and/or the nomination and remuneration committee of the Company, as any of them may have taken action or made a decision or determination in relation to the 2018 Share Option Scheme (each of them so acted shall be referred to as the “Scheme Board”). The Scheme Board may, at its discretion, invite directors, officers, employees (including, without limitation, those employed for a fixed term) and consultants of any member of our Group (each a “Participant”) to participate in the 2018 Share Option Scheme.
- (c) Initially the maximum number of Shares which may be issued upon exercise of all Options to be granted under the 2018 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10 per cent. of the aggregate of the Shares in issue as of the Adoption Date. (Options which have lapsed shall not be counted in calculating the 10 per cent. limit.) However (subject to the 30 per cent. Limit referred to in this paragraph below), the Company may refresh this 10 per cent. limit with Shareholders’ approval provided that each such limit (as refreshed) may not exceed the 10 per cent. of the Shares in issue as of the date of the Shareholders’ approval. (Options previously granted under the 2018 Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options) will not be counted for the purpose of calculating the limit to be refreshed.) The Company may seek separate approval by Shareholders in general meeting for granting Options beyond the 10 per cent. limit provided that the Options in excess of the limit are granted only to Participants specially identified by the Company before such approval is sought.

The total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the 2018 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30 per cent. of the Shares in issue from time to time.

- (d) Unless approved by Shareholders in the manner set out in this paragraph below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) under the 2018 Share Option Scheme in any 12 month period must not exceed 1 per cent. of the Shares in issue. Any further grant of Options which would result in the number of Shares issued as aforesaid exceeding the said 1 per cent. limit must be subject to prior Shareholders' approval with the relevant Participant and his close associates (or his associates, if the Participant is a connected person) abstaining from voting.

Each grant of Options to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) (as such terms are defined in Rule 1.01 of the Listing Rules) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Option). Where any grant of Options to a substantial shareholder or 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:

- (i) representing in aggregate over 0.1 per cent. (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares then in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of Grant (the "Date of Grant"), in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll). The grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

No offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of 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

- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

- (e)
 - (i) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant Date of Grant (being the date on which the Scheme Board resolves to make an offer of Option to the relevant Grantee).
 - (ii) In the event the Grantee (being an employee or a director of the Company or any member of our Group) ceases to be a Participant for any reason other than (1) his or her death or (2) on one or more of the grounds of termination of employment or engagement specified in paragraph (1)(vi) below, the Option shall lapse on the date of cessation of such employment or engagement and not be exercisable unless the Scheme Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Scheme Board may determine. The date of cessation of employment of a Grantee (being an employee and who may or may not be a director of the Company or any member of the Group) shall be the last actual working day on which the Grantee was physically at work with the relevant member of our Group, whether salary is paid in lieu of notice or not.
 - (iii) In the event the Grantee dies before exercising the Option in full and none of the events for termination of employment under paragraph (1)(vi) below then exists with respect to such Grantee, the personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months from the date of death to exercise the Option up to the entitlement of such Grantee as of the date of death.
 - (iv) If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (v) below) resulting in a change of control of the Company is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company at any time within such period as shall be notified by the Company.

- (v) If a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company.

- (vi) In the event a notice is given by the Company to its shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three business days prior to the date of the proposed shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

- (vii) In the event of a compromise or arrangement, other than a scheme of arrangement contemplated above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a scheme or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three business days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

- (viii) Upon the occurrence of any of the events referred to in paragraphs (iv) to (vii) above, the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.

- (f) At the time of grant of the Options, the Company may specify any minimum period(s) for which an Option must be held before it can be exercised. The 2018 Share Option Scheme does not contain any such minimum period.
- (g) At the time of the grant of the Options, the Company may specify any performance target(s) which must be achieved before the Options can be exercised. The 2018 Share Option Scheme does not contain any performance targets.
- (h) The amount payable on acceptance of an Option is HK\$1.00 (or its equivalent).
- (i) The subscription price for the Shares the subject of the Options shall be no less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant. The subscription price will be established by the Scheme Board at the time the Option is offered to the Participant.
- (j) The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.
- (k) No Options may be granted under the 2018 Share Option Scheme on or after the date of the tenth anniversary of the adoption of the 2018 Share Option Scheme.
- (l) An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
 - (i) the expiry of the Option period;
 - (ii) the date or the expiry of the period for exercising the Option as referred to in paragraphs (e)(ii), (iv) and (vii) above (as the case may be);
 - (iii) subject to the scheme of arrangement (referred to in paragraph (e)(v) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph (e)(v) above;
 - (iv) with respect to the events referred to in paragraph (e)(vi) above, the earlier of the date or expiry of the period for exercising the Option as referred to in paragraph (e)(vi) and the date of commencement of the winding up of the Company;

- (v) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favor of any other person, over or in relation to any Option in breach of the 2018 Share Option Scheme;
 - (vi) the date on which the Grantee (being an employee, officer, director or consultant of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily, unless the Scheme Board resolves that the relevant option shall not lapse in any of the aforesaid circumstances;
 - (vii) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally.
- (m) In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalization issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of shares as consideration in a transaction to which the Company is a party, the auditors of or the financial advisor engaged by the Company for such purpose shall determine what adjustment is required to be made to the subscription price, and/or the number of shares to be issued on exercise of the Options, and/or (if necessary) the method of exercise of the Option (or any combination of the foregoing) provided that any such adjustments give the Participant the same proportion of the equity capital of the Company, provided that no adjustment may be made to the extent that shares would be issued at less than their nominal value. If applicable, any adjustment pursuant to this paragraph as anticipated under Rule 17.03(13) of the Listing Rules shall comply with the requirements of and any guidance letter issued by the Stock Exchange from time to time.
- (n) Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the same Grantee provided such Options fall within the limits specified in paragraph (c) above and are otherwise granted in accordance with the terms of the 2018 Share Option Scheme.
- (o) The Shares issued on exercise of the Options will on issue be identical to the then existing issued shares of the Company.

- (p) The Company by ordinary resolution of Shareholders, or the Scheme Board, may at any time terminate the operation of the 2018 Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the 2018 Share Option Scheme shall remain in full force and effect. Any granted but unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the 2018 Share Option Scheme.
- (q) The Options are not transferable, except for the transmission of an Option on the death of a Grantee to his personal representative(s) on terms of and as permitted by the 2018 Share Option Scheme.
- (r) Subject to the terms set out in the paragraph below, the Scheme Board may amend any of the provisions of the 2018 Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).

Those specific provisions of the 2018 Share Option Scheme which relate to the matters set out in rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the Directors or administrator of the 2018 Share Option Scheme in relation to any alteration of the terms herein shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the 2018 Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2018 Share Option Scheme. The 2018 Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

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中国忠旺控股有限公司*

China Zhongwang Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01333)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of China Zhongwang Holdings Limited (the “**Company**”) will be held at Conference Room, 1st Floor, Financial Building, Liaoning Zhongwang Group Co., Ltd., No. 299, Wensheng Road, Hongwei District, Liaoyang City, Liaoning Province, China on Friday, 25 May 2018 at 10:00 a.m. (Beijing time) for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company for the year ended 31 December 2017.
2. To declare a final dividend for the financial year ended 31 December 2017 to the shareholders of the Company.
3. (i) To re-elect the following retiring Directors of the Company:
 - (a) To re-elect Ms. Ma Qingmei as an executive Director;
 - (b) To re-elect Mr. Chen Yan as a non-executive Director;
 - (c) To re-elect Mr. Liu Zhisheng as a non-executive Director;
 - (d) To re-elect Mr. Zhang Hui as a non-executive Director;
 - (e) To re-elect Mr. Wen Xianjun as an independent non-executive Director;
 - (f) To re-elect Mr. Lo Wa Kei, Roy as an independent non-executive Director; and
- (ii) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

4. To re-appoint BDO Limited as auditor of the Group until conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

(A) **“THAT**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (iv) below) of all the powers of the Company to allot, issue and deal with additional ordinary shares (“Shares”) in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into Shares) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire Shares; (c) an issue of Shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (d) an issue of Shares as scrip dividend or similar arrangement in accordance with the memorandum and articles of association of the Company from time to time, shall not exceed 20% of the total number of the Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**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 of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

(B) “**THAT**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (iii) below) of all powers of the Company to purchase or otherwise acquire Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Code on Share Repurchases and the Listing Rules be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares which are authorized to be purchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of the Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.”

(C) “**THAT** conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this AGM, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares pursuant to the resolution set out in paragraph 5(A) of the notice convening this AGM be and is hereby extended by the addition thereto an amount of Shares representing the aggregate number of Shares purchased or otherwise acquired by the Company pursuant to the authority granted to the Directors under the resolution set out in paragraph 5(B) above, provided that such amount shall not exceed 10% of the total number of the Shares in issue as at the date of passing this resolution.”

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

“**THAT:**

- (a) subject to and conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any option granted under the 2018 Share Option Scheme of the Company, the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the chairman of the meeting, the 2018 Share Option Scheme be and is hereby approved and adopted and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2018 Share Option Scheme including but without limitation:
 - (i) to administer and grant options under the 2018 Share Option Scheme;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) to modify and/or amend the 2018 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2018 Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
 - (iii) to allot, issue and deal with from time to time such number of Shares as may fall to be issued pursuant to the exercise of the options under the 2018 Share Option Scheme, provided always that the total number of Shares subject to the 2018 Share Option Scheme, when aggregated with any Shares subject to any grants after the date of passing this resolution pursuant to any other share option schemes, shall not exceed 10% of the relevant class of the shares of the Company in issue as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the 2018 Share Option Scheme and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2018 Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the shares of the Company in issue from time to time; and
 - (iv) to take all such steps as may be necessary, desirable or expedient to carry into effect the 2018 Share Option Scheme from the close of business of the day on which this resolution is passed; and
- (b) upon the 2018 Share Option Scheme becoming unconditional, the Existing Share Option Scheme which was adopted by the Company on 17 April 2008, if not already terminated, be and is hereby terminated with effect from the date on which such resolution became unconditional.”

Notes:

- (a) The register of members of the Company will be closed from Friday, 18 May 2018 to Friday, 25 May 2018 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Thursday, 17 May 2018.
- (b) Subject to approval of the shareholders of the Company on the final dividend distribution for the year ended 31 December 2017, in order to determine the shareholders of the Company who are entitled to the final dividend, the register of members of the Company will be closed from Thursday, 31 May 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to be entitled to the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Wednesday, 30 May 2018.

NOTICE OF ANNUAL GENERAL MEETING

- (c) Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting.
- (d) The Board recommended to declare a final dividend of HKD 0.15 per share in the issued share capital of the Company for the financial year ended 31 December 2017, totaling approximately RMB853,639,000 (based on the total number of issued ordinary shares and convertible preference shares as at the date of this notice). If such dividends are declared by the shareholders of the Company upon passing of resolution number 2 above, they are expected to be paid on or around Friday, 29 June 2018 to the holders of the Company's ordinary shares and convertible preference shares, whose names appear on the register of members of the Company on Wednesday, 6 June 2018.
- (e) In relation to proposed resolution number 3 above, Mr. Wen Xianjun, Mr. Lo Wa Kei, Roy and Mr. Chen Yan will retire by rotation and, being eligible, offer themselves for re-election at the AGM. Further, since Ms. Ma Qingmei, Mr. Liu Zhisheng and Mr. Zhang Hui were appointed as Directors by the Board on 17 November 2017 pursuant to article 83(3) of the Company's Articles, each of them will hold office until the forthcoming AGM and shall also be subject to re-election thereat. Details of the retiring Directors offered for re-election are set out in the circular of the Company dated 24 April 2018.
- (f) In relation to proposed resolutions number 5(A) and 5(C), approval is being sought from the shareholders for the granting to the Directors of a general mandate to authorize the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares pursuant to the relevant mandate.
- (g) In relation to proposed resolution number 5(B) 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 of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules has been set out in the circular of the Company dated 24 April 2018.

By order of the Board
China Zhongwang Holdings Limited
Lu Changqing
Chairman

Hong Kong, 24 April 2018

As at the date hereof, the Board consists of:

Executive Directors

Mr. Lu Changqing and Ms. Ma Qingmei

Non-executive Directors

Mr. Chen Yan, Mr. Liu Zhisheng and Mr. Zhang Hui

Independent Non-executive Directors

Mr. Wong Chun Wa, Mr. Wen Xianjun, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy