
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Prinx Chengshan (Cayman) Holding Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



Prinx Chengshan (Cayman) Holding Limited

浦林成山（開曼）控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1809)

**PROPOSAL FOR ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at Conference Room, Fourth Floor, Youyi Hotel, Rongcheng City, Shandong Province, the PRC, on Friday, 5 July 2019 at 9:00 a.m. is set out on pages 16 to 17 of this circular. A proxy form for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.prinxchengshan.com).

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. not later than 9:00 a.m. on Wednesday, 3 July 2019) or any adjournment thereof.

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof.

13 June 2019

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX — SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME	8
NOTICE OF EXTRAORDINARY GENERAL MEETING	16

DEFINITIONS

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

“Adoption Date”	5 July 2019, being the date on which the Share Option Scheme is to be considered and, if thought fit, to be adopted by the Shareholders at the EGM
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Prinx Chengshan (Cayman) Holding Limited (浦林成山(開曼)控股有限公司), a company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened to consider and, if thought fit, approve the adoption of the Share Option Scheme
“Grantee(s)”	any Eligible Participant(s) who accept the Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) his personal representative(s)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	6 June 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the Listing Committee of Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and/or supplemented from time to time
“Offer”	an offer for the grant of an Option made in accordance with the Share Option Scheme
“Option”	an option to subscribe for Shares granted pursuant to the Share Option Scheme and for the time being subsisting
“Option Period”	in respect of any particular Option, a period of time to be notified by the Board to each Grantee, which the Board may in its absolute discretion determine, save that such period must expire not more than six (6) years from the date on which the Option is granted to Eligible Participants
“Eligible Participant”	any employee or proposed employee (whether full time or part time) of any member of the Group or any Invested Entity, excluding any independent non-executive Directors and provided that the proposed employee is actually employed by the Group and passes the stipulated probation period
“Scheme Period”	a period of six (6) years commencing on the Adoption Date
“Share(s)”	ordinary share(s) of each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscription Price”	the price at which each Share underlying an Option may be subscribed for on the exercise of that Option, subject to adjustments in accordance with the Share Option Scheme
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



Prinx Chengshan (Cayman) Holding Limited
浦林成山（開曼）控股有限公司
(Incorporated under the laws of the Cayman Islands with limited liability)
(Stock Code: 1809)

Executive Directors:

Mr. Che Baozhen
Mr. Shi Futao
Ms. Cao Xueyu

Non-executive Directors:

Mr. Che Hongzhi
Mr. Wang Lei
Mr. Chen Yansheng

Independent non-executive Directors:

Mr. Zhang Xuehuo
Mr. Choi Tze Kit, Sammy
Mr. Wang Chuansheng

Registered Office:

P.O. Box 472
Harbour Place, 2nd Floor
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

Principal Place of Business in the PRC:

No. 98, Nanshan North Road
Rongcheng City
Shandong Province, the PRC

Principal Place of Business in Hong Kong:

Room 803B, 8/F
East Ocean Centre
98 Granville Road
Tsim Sha Tsui
Kowloon
Hong Kong

13 June 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the EGM relating to the proposed adoption of the Share Option Scheme.

LETTER FROM THE BOARD

The purpose of the Share Option Scheme is to enable the Board to grant Options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high caliber eligible persons and attract human resources that are valuable to the Group. Proposed employees are included as Eligible Participants to enable the Company to offer a competitive remuneration package to recruit high caliber candidates.

In order to achieve the aforementioned purposes and maintain the value of the Company, the Directors have specified at the time of the Offer, the minimum period for which an Option must be held, the performance targets that must be achieved before the Option can be exercised as well as the minimum Subscription Price.

As at the Latest Practicable Date, there were 635,000,000 Shares in issue. Assuming that there is no change in the number of issued Shares for the period from the Latest Practicable Date up to the Adoption Date, the number of Shares issuable pursuant to the Share Option Scheme will be 16,000,000 Shares, being approximately 2.5% of the total number of Shares in issue on the Adoption Date.

The Share Option Scheme is conditional upon:

- (i) the approval of the Shareholders at a general meeting to be held; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the new Shares which may be allotted and issued pursuant to the exercise of the Options.

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and the permission to deal in, the new Shares which may be allotted and issued pursuant to the Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include but are not limited to the Subscription Price, Option Period, lock-up period and performance targets. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

LETTER FROM THE BOARD

A summary of the principal terms of the Share Option Scheme is set out in the Appendix to this circular. A copy of the terms of the Share Option Scheme is available for inspection during normal business hours at Room 803B, 8/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong from the date of this circular to the date of the EGM (both dates inclusive) and also at the EGM.

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

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder had a material interest in the proposed adoption of the Share Option Scheme and no Shareholder was required to abstain from voting at the EGM for approving the Share Option Scheme.

Up to the Latest Practicable Date, the Company had not previously adopted any share option scheme.

EGM

A notice convening the EGM to be held at Conference Room, Fourth Floor, Youyi Hotel, Rongcheng City, Shandong Province, the PRC, on Friday, 5 July 2019 at 9:00 a.m. is set out on pages 16 to 17 of this circular. At the EGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve, the adoption of the Share Option Scheme.

A form of proxy for the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.prinxchengshan.com). Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy and return it in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM (i.e. not later than 9:00 a.m. on Wednesday, 3 July 2019) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the EGM. Any announcement on the results of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

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

Yours faithfully,

By Order of the Board

PRINX CHENGSHAN (CAYMAN) HOLDING LIMITED

Che Hongzhi

Chairman of the Board

1. PURPOSE OF THE SHARE OPTION SCHEME

The Share Option Scheme aims to attract, retain and provide incentives to senior and mid-level management and key employees of the Company, to provide them with the opportunity to obtain shares of the Company and to link their interests closely to the operating results and share performance of the Company with a view to increasing the value of the Company and to attracting human resources that are valuable to the Group.

2. WHO MAY JOIN

The basis of eligibility of any of the class of Eligible Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. The grant of Options to proposed employees is based on, among other things, the Company's objective of attracting them to join the Group and the proposed employees' contribution during their probation period. For avoidance of any doubt,

- a) the grant of any option by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the classes of Eligible Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under the Share Option Scheme;
- b) no person shall be an Eligible Participant only because of his or her being an Eligible Participant under any previous share option scheme adopted by the Company.

Eligible Participants means: any employee or proposed employee (whether full time or part time) of any member of the Group or any Invested Entity, excluding any independent non-executive Directors and provided that the proposed employee is actually employed by the Group and passes the stipulated probation period.

3. SUBSCRIPTION PRICE OF SHARES

The Subscription Price in respect of any Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be lower than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) With respect to the maximum number of Shares available for subscription under the Share Option Scheme,
 - a) the aggregate number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and all options to be granted under any other share option scheme(s) of the Company shall not, subject to terms relating to effects of alterations of capital structure under the Share Option Scheme, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date unless the Company seeks the approval of the Shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that Options lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of the Company will not be counted for the purpose of calculation of the 10% limit under this subparagraph;
 - b) the Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit such that total number of Shares in respect of which Options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders provided that Options previously granted under the Share Option Scheme or any share option scheme(s) of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of the Company) will not be counted for the purpose of calculating the limit as “refreshed”. The Company shall send a circular to the Shareholders containing the information required by the Listing Rules;
 - c) the Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit provided that the Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. The Company shall send a circular to the Shareholders containing the information required by the Listing Rules; and
 - d) notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. No

Option may be granted under the Share Option Scheme or any other share option scheme(s) of the Company if this will result in the limit set out in this sub-paragraph being exceeded.

- (ii) With respect to the maximum entitlement of each Grantee under the Share Option Scheme,
 - a) subject to sub-paragraph 4(ii)(b), no Eligible Participant shall be granted an Option if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options granted to such Eligible Participant (including both exercised and outstanding Options) in the 12-month period exceeding 1% of the total number of Shares in issue; and
 - b) where any further grant of Options to an Eligible Participant, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her associates abstaining from voting. The Company must send a circular to the Shareholders containing the information required by the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Participant must be fixed before the Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of grant for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

Any grant of Options to a Director (excluding any independent non-executive Directors), chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors.

Where any Option is proposed to be granted to a substantial shareholder of the Company or associates, and the proposed grant of Options would result in the Shares issued and to be issued upon exercise of all Options already granted (including Options exercised, cancelled and outstanding) and to be granted to such person in the 12-month period up to and including the date of the grant of such options to (i) represent in aggregate over 0.1% of the total issued Shares for the time being, and (ii) have an aggregate value (based on the closing price of a Share at each date

of the grant of these Options) exceeding HK\$5 million, the proposed grant shall be subject to the approval of the Shareholders in a general meeting in accordance with the requirements of the Listing Rules. The Company will issue a circular to the Shareholder which will contain all the information required under the Listing Rules (if applicable). The proposed Grantee, his or her associates and all core connected persons will abstain from voting in favour at such general meeting. Any change in the terms of options granted to a substantial shareholder of the Company or his or her associates must be approved by the Shareholders in general meeting.

6. RANKING OF SHARES

The Shares to be allotted upon the exercise of the Options will be subject to the requirements of the articles of association of the Company for the time being and will rank *pari passu* with the fully paid Shares in issue on the exercise date, including participating in dividends and other distributions paid or made on or after the exercise date other than dividend or other distribution declared or recommended or resolved to be paid or made prior to the exercise date. The Shares allotted upon the exercise of the Options shall not carry voting rights prior to the Grantee being registered as a Shareholder.

7. RESTRICTIONS ON THE TIME OF GRANT OF SHARE OPTIONS

Grant of Options may not be made after inside information has come to the knowledge of the Company until such inside information has been announced in accordance with the relevant requirements of the Listing Rules. Furthermore, no Option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the Company's interim or annual results; and (ii) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of the results announcements.

In addition to the above, the Board may not grant any Option to an Eligible Participant who is a Director during the period:

- (i) when he or she possesses inside information in relation to the securities of the Company;
- (ii) of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(iii) of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

8. EXERCISE PERIOD OF SHARE OPTIONS

The Grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than six years from the date of grant of the relevant Share Option and include the minimum period, for which an Option must be held before it can be exercised).

9. PERFORMANCE TARGET

The Directors may, at their absolute discretion, specify at the time of the grant, the performance targets that must be achieved before the Option can be exercised.

10. PERIOD OF THE SHARE OPTION SCHEME

According to the requirements of the Share Options Scheme, the Board shall be entitled to grant Eligible Participants Options to subscribe for a certain number of Shares at the Subscription Price within six years from the Adoption Date.

11. RIGHTS ARE PERSONAL TO GRANTEE

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

12. RIGHTS ON DISMISSAL

In case the Grantee has a job title change because he or she is not qualified for his or her job, violates laws, disobeys professional ethics, reveals confidential information of the Company, fails to discharge his or her duties or has wilful misconduct, causing damages to the interest or reputation of the Company; or the Company terminates his or her employment contract for any of the above reasons, the unvested parts of his or her Options shall lapse immediately; Options vested but not yet exercised shall lapse immediately; the exercised parts shall not be effected, in case of causing damages to the Company, the Company shall be entitled to claim related amounts of loss from the Grantee.

13. RIGHTS ON CESSATION OF EMPLOYMENT, DEATH

In case the Grantee leaves the Company because of resignation with the Company's approval or redundancy, the Grantee retires in accordance with the terms of his or her employment, or the Grantee dies, the unvested parts of his or her Options shall lapse immediately; Options vested but not yet exercised shall lapse immediately; the exercised parts shall not be effected.

14. EFFECT OF ALTERATIONS TO CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst the Share Option Scheme is still subsisting or any Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision, reduction or consolidation of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Subscription Price or the number of Shares subject to the Options (so far as such Option remains unexercised) and to the Share Option Scheme shall be adjusted with corresponding alterations by the Board (having received a statement in writing from the auditors of the Company that in their opinion the adjustments proposed satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules), provided always that a Grantee shall have the same proportion of the equity capital of the Company as that to which he or she was entitled before such adjustments but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value.

15. RIGHTS ON A GENERAL OR PARTIAL OFFER

If a general offer is made to the Shareholders and the offer becomes or is declared unconditional during the Option Period, each Grantee shall be entitled to exercise any Option to the extent that it has not been so exercised but whether vested or not, any Option at any time before the expiry of the period of 14 days following the date on which the offer becomes or is declared unconditional.

16. RIGHTS ON WINDING-UP

In the event that notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice thereof to all Grantees and each Grantee shall be entitled, at any time not later than four business days prior to the proposed general meeting of the Company to exercise his or her outstanding Options in whole or in part. The Company shall as soon as possible and in any event no later than one business day prior to the date of such general meeting, allot and issue such number of Shares to the Grantees which fall to be issued on such exercise. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

17. RIGHTS ON A COMPROMISE OR ARRANGEMENT

In the event that a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or 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 date as it gives notice of the meeting to the Shareholders and the Company's creditors, and thereupon each Grantee shall be entitled, at any time not later than two business days prior to the proposed meeting of the Company, to exercise his or her outstanding Options in whole or in part. The Company shall as soon as possible and in any event no later than one business day prior to the date of such general meeting, allot and issue such number of Shares to the Grantees which fall to be issued on such exercise. Subject thereto, all Options then outstanding shall lapse and determine upon such compromise or arrangement becoming effective.

18. LAPSE OF OPTION

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

- a) the expiry of the Option Period;
- b) the expiry of any of the periods referred to in paragraphs 12 and 13 above;
- c) the date on which a Grantee ceases to be an Eligible Participant by reason of the termination of his or her contract of employment or service on any one or more grounds that he or she 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 or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty; or
- d) the date on which the Directors cancel any outstanding Option or part thereof on the ground the Grantee commits a breach of the above regulation.

19. CANCELLATION OF OUTSTANDING OPTIONS

The Company may cancel an Option granted under the Share Option Scheme but not exercised with the approval of the Grantee. If the Company cancels such Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in the paragraph headed "4. Maximum number of Shares available for subscription" above.

20. VARIATION

- (i) The provisions of the Share Option Scheme may be waived or altered in any respect by resolution of the Board as it deems desirable except that the specific provisions of the Share Option Scheme as to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Eligible Participants except with the prior approval of the Shareholders in general meeting.
- (ii) Any alteration to the terms or conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted under the Share Option Scheme, except where the alteration takes effect automatically under the existing terms of the Share Option Scheme, must be approved by the Shareholders in general meeting.
- (iii) The amended terms of the Share Option Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (iv) Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.
- (v) The Directors may terminate the Share Option Scheme at any time, but Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the rules of the Share Option Scheme.

21. TERMINATION

The Company, by resolution in general meeting, may at any time terminate the Share Option Scheme and, in such event, no further offer to grant an Option nor further Option shall be made but in all other respects the provisions of the Share Option Scheme shall remain in force and effect. All Options granted and accepted and remained unexpired immediately prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Prinx Chengshan (Cayman) Holding Limited

浦林成山（開曼）控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1809)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Prinx Chengshan (Cayman) Holding Limited (the “**Company**”) will be held at Conference Room, Fourth Floor, Youyi Hotel, Rongcheng City, Shandong Province, the PRC on Friday, 5 July 2019 at 9:00 a.m., to consider, and, if thought fit, pass the following resolution (with or without modifications) as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**:–

Subject to the conditions of the share option scheme to be adopted (the “**Share Option Scheme**”) by the Company becoming fulfilled, the rules of the Share Option Scheme are hereby approved and adopted and the directors of the Company 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 Share Option Scheme including without limitation:

- (a) administering the Share Option Scheme and granting options under the Share Option Scheme;
- (b) modifying and/or amending the rules of the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”);
- (c) allotting and issuing from time to time such number of shares in the capital of the Company (the “**Shares**”) as may be required to be issued pursuant to the exercise of the options granted under the Share Option Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) making application at appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme.”

By Order of the Board
PRINX CHENGSHAN (CAYMAN) HOLDING LIMITED
Che Hongzhi
Chairman

Shandong, China, 13 June 2019

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 2 July 2019 to Friday, 5 July 2019, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 June 2019.
2. Any shareholder entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend the Meeting and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her to attend the Meeting and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s share registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no less than 48 hours before the time appointed for the Meeting (i.e. not later than 9:00 a.m. on Wednesday, 3 July 2019) or any adjournment thereof.
4. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the Meeting.
5. A form of proxy for use at the Meeting is attached herewith.
6. Any voting at the Meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
8. As at the date of this notice, the executive directors of the Company are Mr. Che Baozhen, Mr. Shi Futao and Ms. Cao Xueyu, the non-executive directors of the Company are Mr. Che Hongzhi, Mr. Wang Lei and Mr. Chen Yansheng and the independent non-executive directors of the Company are Mr. Zhang Xuehuo, Mr. Choi Tze Kit, Sammy and Mr. Wang Chuansheng.