
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 a stock broker 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 Smart City Development Holdings 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 the transferee.

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SMART CITY DEVELOPMENT HOLDINGS LIMITED

智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

(1) PROPOSED SHARE CONSOLIDATION AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the “EGM”) of Smart City Development Holdings Limited (the “Company”) to be held at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61–65 Gilman Street and 73 Connaught Road Central, Hong Kong on Monday, 26 April 2021 at 11:00 a.m. or any adjourned meeting thereof, is set out on pages 12 to 14 of this circular. A form of proxy for use by the shareholders of the Company at the EGM is enclosed herein. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM 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 should you so wish.

This circular will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company’s website at www.smartcity-d.com.

PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented by the Company at the EGM:

1. Compulsory body temperature screening/checks will be carried out on every attendee at the main entrance of the EGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the EGM venue and be requested to leave the EGM venue.
2. Every attendee will be required to wear a surgical face mask throughout the EGM and sit at a distance from other attendees. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks.
3. No refreshments or drinks will be provided to attendees at the EGM, and there will be no corporate gift.

Attendees who do not comply with the precautionary measures referred to in (1) and (2) above may be denied entry to the EGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of the Shareholders, the Company encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms before the prescribed time, instead of attending the EGM in person.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented by the Company at the EGM:

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For the health and safety of the Shareholders, the Company encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms before the prescribed time, instead of attending the EGM in person.

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DEFINITION

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public or statutory holiday and any day on which a tropical cyclone warning signal no. 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon or on which “black” rainstorm warning signal is issued or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Company”	Smart City Development Holdings Limited (智城發展控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.125 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Share Consolidation
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries

DEFINITION

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	29 March 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares of par value of HK\$0.025 each in the existing share capital of the Company into one (1) Consolidated Share of par value of HK\$0.125 each in the share capital of the Company
“Share(s)”	ordinary share(s) with a par value of HK\$0.025 each in the share capital of the Company before the Share Consolidation becoming effective
“Shareholder(s)”	holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION

Set out below is the expected timetable in relation to the Share Consolidation. The expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation and is therefore for indicative purpose only. Any subsequent change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

2021

Latest date and time for lodging share transfer of the Shares in order to qualify for attending and voting at EGM 4:30 p.m. on Tuesday, 20 April

Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive) Wednesday, 21 April to Monday, 26 April

Latest date and time for lodging the proxy forms for the EGM 11 a.m. on Saturday, 24 April

Expected date and time of the EGM 11 a.m. on Monday, 26 April

Publication of the announcement of voting results of the EGM Monday, 26 April

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:

Effective date of the Share Consolidation Wednesday, 28 April

First day of free exchange of existing share certificates for new share certificates Wednesday, 28 April

Dealings in the Consolidated Shares commences 9:00 a.m. on Wednesday, 28 April

Original counter for trading in Shares in board lots of 8,000 Shares (in the form of existing share certificates) temporarily closes 9:00 a.m. on Wednesday, 28 April

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION

2021

Temporary counter for trading in the Consolidated Shares in board lots of 1,600 Consolidated Shares (in the form of existing share certificates) opens9:00 a.m. on Wednesday, 28 April
Original counter for trading in the Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates) re-opens9:00 a.m. on Wednesday, 12 May
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences9:00 a.m. on Wednesday, 12 May
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares9:00 a.m. on Wednesday, 12 May
Temporary counter for trading in the Consolidated Shares in board lot of 1,600 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 2 June
Parallel trading in the Consolidated Shares (in the form of existing share certificates and new share certificates) ends	4:10 p.m. on Wednesday, 2 June
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 2 June
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 4 June

SMART CITY DEVELOPMENT HOLDINGS LIMITED
智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

Executive Directors:

Mr. Hung Kenneth
Ms. Lau Po Yee

Independent non-executive Directors:

Mr. Wong Yuk Lun Alan
Mr. Lam Wai Hung
Ms. Au Shui Ming Anna

Registered office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Principal place of business
in Hong Kong:*

11th Floor, Nanyang Plaza
No. 57 Hung To Road,
Kwun Tong, Kowloon
Hong Kong

1 April 2021

To the Shareholders

Dear Sirs,

**(1) PROPOSED SHARE CONSOLIDATION
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 12 March 2021, in which the Board proposed to implement the Share Consolidation. The purpose of this circular is to provide you with information in respect of certain resolutions to be proposed at the EGM for the proposed Share Consolidation and to give you notice of the EGM.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of par value of HK\$0.025 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.125 each.

The Share Consolidation is conditional upon, among other things, the approval of the Shareholders by way of poll at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

LETTER FROM THE BOARD

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 4,000,000,000 Shares of par value of HK\$0.025 each, of which 1,000,000,000 Shares had been allotted and issued as fully paid or credited as fully paid. Assuming that no further Shares will be allotted, issued or repurchased from the Latest Practicable Date up to the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$100,000,000 divided into 800,000,000 Consolidated Shares of par value of HK\$0.125 each, of which 200,000,000 Consolidated Shares will be in issue and will be fully paid or credited as fully paid. The Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

All Consolidated Shares will rank *pari passu* with each other in all respects with each other in accordance with the Company's articles of association. Fractions of the Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

The Board believes that other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (a) the passing by the Shareholders of an ordinary resolution at the EGM to approve the Share Consolidation;
- (b) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 28 April 2021 being the second Business Day after the date of EGM. As at the Latest Practicable Date, none of the conditions above had been fulfilled.

LETTER FROM THE BOARD

Listing application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirement of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time of the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in being or is proposed to be sought.

No change in board lot size

As at the Latest Practicable Date, the Shares are traded on GEM of the Stock Exchange in the board lot size of 8,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will continue to be 8,000 Consolidated Shares.

Based on the closing price of HK\$0.054 per Share (equivalent to the theoretical closing price of HK\$0.27 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each board lot of the Shares is HK\$432 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,160.

OTHER ARRANGEMENTS

Fractional Consolidated Shares

Fractional Consolidated Shares (if any) arising from the Share Consolidation will be disregarded and will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

Arrangement on odd lots trading and matching service

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company will appoint a designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 12 May 2021 to 2 June 2021 (both days inclusive).

Shareholders who wish to take advantage of this facility should contact Ms. Ann Luk at Yuzhou Financial Holdings Limited (telephone number: 2591 2308) during office hours (i.e. 9:00 a.m. to 4:00 p.m. of such period).

Holders of odd lots of the Consolidated Shares (if any) should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be Wednesday, 28 April 2021, the Shareholders may, during a period between Wednesday, 28 April 2021 and Friday, 4 June 2021 (both dates inclusive), submit existing share certificates for the Shares, which are in blue colour, to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares, which will be in green colour. It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Thereafter, the existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be from time to time be specified by the Stock Exchange) for each new share certificate for the Consolidated Shares to be issued or each existing share certificate for the Shares cancelled, whichever the number of certificates issued or cancelled is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Wednesday, 2 June 2021, trading will only be in Consolidated Shares and existing share certificates for the Shares will not be accepted for delivery, trading and settlement purposes. However, the existing share certificate for the Shares will continue to be good evidence of title to the Consolidated Shares on the basis of five (5) Shares for one (1) Consolidated Share.

LETTER FROM THE BOARD

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.00. As at the Latest Practicable Date, the closing price of each Share is HK\$0.054, with a board lot size of 8,000 Shares, the Company is trading below HK\$2,000.00 per board lot.

The Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create values.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares, as such, it would enable the Company to comply with the trading requirements under the Listing Rules. The Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, the Board considers the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to the Shareholders. According, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company does not have any concrete plan to conduct any fund raising activities or intention of future corporate actions which will offset or negate the effect of the Share Consolidation in the next 12 months.

LETTER FROM THE BOARD

EGM

A notice of the EGM is set out on pages 12 to 14 of this circular. The EGM will be convened and held at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61–65 Gilman Street and 73 Connaught Road Central, Hong Kong on Monday, 26 April 2021 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to approve the Share Consolidation.

Form of proxy

A form of proxy for use at the EGM is enclosed herewith. Whether or not you intend to be present at the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM 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 should you so wish and in such event, the proxy form shall be deemed revoked.

Voting at the EGM

None of the Shareholders are required to abstain from voting at the EGM on the resolutions as set out in the notice of the EGM.

All resolutions at the EGM shall be conducted by way of poll, and the results of the EGM will be announced by the Company in compliance with Rule 17.47(5) of the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 April 2021 to Monday, 26 April 2021 (both days inclusive) during which period no transfer of the Shares will be registered. In order to qualify for attending the EGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 20 April 2021 for the purpose of determining the entitlement to attend and vote at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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.

COMPETITION AND CONFLICT OF INTERESTS

To the best knowledge of the Directors, none of the Directors or the controlling Shareholders (as defined in the GEM Listing Rules) of the Company, nor any of their respective close associates (as defined in the GEM Listing Rules), had any or interest as at the Latest Practicable Date that competes or may compete with the business of the Group, which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

RECOMMENDATIONS

The Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommends the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the proposed Share Consolidation.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
Smart City Development Holdings Limited
Hung Kenneth
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

SMART CITY DEVELOPMENT HOLDINGS LIMITED

智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Smart City Development Holdings Limited (the “**Company**”) will be held at Room 01B, 23rd Floor, China Insurance Group Building, 141 Des Voeux Road Central, 61–65 Gilman Street and 73 Connaught Road Central, Hong Kong on Monday, 26 April 2021 at 11:00 a.m. to consider and, if thought fit, pass the following resolution (with or without amendments) as ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among other things, the granting by the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the date on which this resolution is passed, being a day on which shares of the Company are traded on the Stock Exchange:

1. (a) every five (5) issued and unissued shares of par value of HK\$0.025 each in the share capital of the Company will be consolidated into one (1) consolidated share of par value of HK\$0.125 each (each a “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”);
- (b) all of the Consolidated Shares shall rank *pari passu* with each other in all respects and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company;
- (c) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”, each a “**Director**”) may think fit; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) any one Director and such person or persons authorised by the Directors be and are hereby authorised to do all such acts and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as they shall, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing arrangement for the Share Consolidation.”

Yours faithfully,
By Order of the Board
Smart City Development Holdings Limited
Hung Kenneth
Executive Director

Hong Kong, 1 April 2021

Registered office:
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Principal place of business
in Hong Kong:*
11th Floor, Nanyang Plaza
No. 57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her/its stead at the EGM in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company but must be present in person to represent the shareholder.
2. To be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at least 48 hours before the time appointed for holding the EGM or any adjournment thereof as the case may be and in default thereof the form of proxy and such power or authority shall not be treated as valid.
3. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM if you so wish. If you attend the EGM after having deposited the form of proxy, your form of proxy will be deemed revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled to vote, but if more than one of such joint holders are present at the EGM, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this

NOTICE OF EXTRAORDINARY GENERAL MEETING

purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of members of the Company in respect of the joint holding.

5. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 21 April 2021 to Monday, 26 April 2021 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for attending the EGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 20 April 2021 for such purpose.
6. If typhoon signal no. 8 or above, or a "black" rainstorm warning is hoisted or remains hoisted 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will publish an announcement on the GEM website at www.hkgem.com and the Company's website at www.smartcity-d.com to notify shareholders of the Company of the date, time and place of the rescheduled EGM.

As at the date of this notice, the executive Directors are Mr. Hung Kenneth and Ms. Lau Po Yee, and the independent non-executive Directors are Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Ms. Au Shui Ming Anna.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 notice 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 on this notice misleading.

This notice will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company's website at www.smartcity-d.com.