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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 **Hyfusin Group Holdings Limited**, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or 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.

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## **Hyfusin Group Holdings Limited**

### **凱富善集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8512)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF  
ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Hyfusin Group Holdings Limited to be held at Suite 3318, 33/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 7 June 2024 at 3:00 p.m. is set out on pages 53 to 60 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hyfusingroup.com](http://www.hyfusingroup.com)).

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date its posting and will also be published on the Company's website at [www.hyfusingroup.com](http://www.hyfusingroup.com).

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## CHARACTERISTICS OF GEM

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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.

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by ordinary resolution to be passed by the Shareholders at the Annual General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at Suite 3318, 33/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 7 June 2024 at 3:00 p.m., or any adjournment thereof and notice of which is set out on pages 53 to 60 of this circular
“Articles of Association”	the amended and restated articles of association of the Company adopted by special resolution passed on 10 June 2022 and as amended, supplemented and/or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Companies Act”	the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time
“Company”	Hyfusin Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, with the Shares listed on GEM
“connected person(s)”	has the meaning given to it under the GEM Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Date of Grant”	the date of which an offer is made to a Selected Participant under the New Share Option Scheme
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Eligible Participant(s)”	person(s) who is eligible to receive an Option under the New Share Option Scheme as more particularly described under paragraph 2 of Appendix III
“Employee”	any employee (including without limitation any of the executive directors and officers) of the Company or of any Subsidiary
“Employee Participant”	a category of the Eligible Participant as more particularly described under paragraph 2 of Appendix III
“Exercise Price”	the price per Share at which a grantee may subscribe for a Share on the exercise of an Option pursuant to the New Share Option Scheme, as more particularly described under paragraph 5 of Appendix III
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 23 June 2018
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate
“Latest Practicable Date”	18 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company adopted by special resolution passed on 10 June 2022

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## DEFINITIONS

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“New Memorandum and Articles of Association”	the second amended and restated memorandum and articles of association of the Company, incorporating and consolidating all the Proposed Amendments, proposed to be adopted by a special resolution of the Shareholders of the Company at the Annual General Meeting
“New Share Option Scheme”	the new share option scheme of the Company to the proposed for adoption by the Company at the Annual General Meeting, a summary of which is set out in Appendix III to this circular
“Nomination Committee”	the nomination committee of the Board
“Option(s)”	a right to subscribe for Shares granted pursuant to the New Share Option Scheme
“Proposed Amendments”	proposed amendments to the Memorandum and Articles of Association as set out in Appendix IV to this circular
“Refreshed Scheme Mandate Limit”	the limit on the total of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme as refreshed, more particularly described under paragraph 6 of Appendix III
“Refreshed Service Provider Sublimit”	the limit on the total of Shares which may be allotted and issued upon exercise of all Options to be granted to Service Provider under the New Share Option Scheme as refreshed, more particularly described under paragraph 6 of Appendix III
“Related Entity Participant”	a category of an Eligible Participant as more particularly described under paragraph 2 of Appendix III
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“Scheme Mandate Limit”	the limit on the total of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme as more particularly described under paragraph 6 of Appendix III

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## DEFINITIONS

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“Selected Participant(s)”	the Eligible Participant(s) selected by the Board pursuant to the rules of the New Share Option Scheme for participation in the New Share Option Scheme
“Service Provider”	a category of the Eligible Participant as more particularly described under paragraph 2 of Appendix III
“Service Provider Sublimit”	the limit on the total of Shares which may be allotted and issued upon exercise of all Options to be granted to Service Provider under the New Share Option Scheme as more particularly described under paragraph 6 of Appendix III
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary/Subsidiaries”	any entity which has the meaning of the term “Subsidiary” as defined in the GEM Listing Rules and the term “Subsidiaries” shall be construed accordingly
“Takeovers Code”	the Code on Takeovers and Mergers, issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“%”	per cent

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LETTER FROM THE BOARD

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**Hyfusin Group Holdings Limited**  
**凱富善集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8512)**

*Executive Directors:*

Mr. Wong Wai Chit  
Mr. Wong Man Chit

*Independent Non-executive Directors:*

Mr. Chan Cheong Tat  
Mr. Ho Chi Wai  
Mr. Chu Kin Wang, Peleus

*Registered office:*

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

*Headquarters and principal place of  
business in Hong Kong:*

Unit Nos. 4-8, 2/F  
Aberdeen Marina Tower  
8 Shum Wan Road  
Aberdeen  
Hong Kong

29 April 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME,  
AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF  
ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting, among other matters, (a) granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; (b) the re-election of the retiring Directors; (c) to approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and (d) to approve the Proposed Amendments and the adoption of the New Memorandum and Articles of Association.



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## **LETTER FROM THE BOARD**

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### **ISSUE MANDATE TO ISSUE SHARES**

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the GEM Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 5(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, 1,100,000,000 Shares have been issued and fully paid or credited as fully paid. Subject to the passing of the ordinary resolution numbered 5(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 220,000,000 Shares pursuant to the Issue Mandate.

In addition, subject to a separate approval of the ordinary resolution numbered 5(C), the number of Shares repurchased by the Company under ordinary resolution numbered 5(B) will also be added to extend the Issue Mandate as mentioned in ordinary resolution numbered 5(A) provided that such additional Shares shall represent up to 10% of the total number of issued Shares as at the date of passing the resolutions in relation to the Issue Mandate and Repurchase Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

### **REPURCHASE MANDATE TO REPURCHASE SHARES**

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the total number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with article 108 of the Articles of Association, 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 and will be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years.

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## LETTER FROM THE BOARD

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In accordance with article 108 of the Articles of Association, Mr. Ho Chi Wai and Mr. Chu Kin Wang, Peleus will retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of Mr. Ho Chi Wai and Mr. Chu Kin Wang, Peleus (collectively, the “**Retiring Directors**”) who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the GEM Listing Rules.

### *Procedure and Process for Nomination of Directors*

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

### *Selection Criteria*

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- (a) Diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
- (b) The number of directorships in other listed/public companies;
- (c) Commitment for responsibilities of the Board in respect of available time and relevant interest;
- (d) Qualifications, including accomplishment and experience in the relevant industries in which the Group’s business is involved;
- (e) Experience in the Group’s principal business and/or the industry in which the Group operates;
- (f) Independence;
- (g) Reputation for integrity; and
- (h) Potential contributions that the individual can bring to the Board.

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## LETTER FROM THE BOARD

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### *Nomination Procedures*

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- i. The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management, external recruitment agents and may seek independent professional advice to access a wider range of potential candidates.
- ii. The secretary of the Nomination Committee shall invite nomination of candidates from Board members (if any) for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by the Board.
- iii. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment.
- iv. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate.
- v. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration.
- vi. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.
- vii. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- viii. The Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

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## LETTER FROM THE BOARD

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### *Recommendation of the Nomination Committee*

The Nomination Committee and the Board had noted that Mr. Chu Kin Wang, Peleus holds directorships in seven listed companies. However, the Nomination Committee and the Board is of the view that Mr. Chu would be able to devote sufficient time to fulfill his duties as an independent non-executive Director of the Company, mainly due to (i) Mr. Chu has a high attendance rate at the general meetings, board meetings and board committee meetings of the listed companies of which he is a director, based on the review of the publicly available information; (ii) Mr. Chu is an independent non-executive director of all the listed companies mentioned his biographical details set out in Appendix I in this circular, and is mainly involved in the provision of strategic and independent advice to the management and review of the companies' businesses from an independent perspective instead of participating in the day-to-day management of those listed companies; (iii) Mr. Chu has served most of those companies for more than five years and is familiar with their business and developments; (iv) Mr. Chu has undertaken to devote sufficient time to attend to the affairs of the Company; and (v) Mr. Chu has over 18 years of experience as a director of listed companies since 2005, and serving listed companies of diverse industries. His background, experience and qualifications indicate that Mr. Chu could apply himself and manage his time to meet the needs of his directorship in listed companies. Taking into account the above factors, the Board is of the view that notwithstanding that Mr. Chu holds directorships in more than seven listed companies, he would be able to devote sufficient time to fulfill his duties as an independent non-executive Director.

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 December 2023 and thereafter up to 18 April 2024 based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and confirmed that all of them, including Mr. Ho Chi Wai and Mr. Chu Kin Wang, Peleus, remain independent. In addition, the Nomination Committee had evaluated the performance of each of the Retiring Directors for the year ended 31 December 2023 and found their performance satisfactory. Therefore, the Nomination Committee nominated the Retiring Directors to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the Retiring Directors, namely Mr. Ho Chi Wai and Mr. Chu Kin Wang, Peleus, stand for re-election as Directors at the Annual General Meeting.

The biographical details (including the number of the other public companies' directorship) of each of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements under the GEM Listing Rules.

Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meeting(s) of the Directors (including the Retiring Directors) is disclosed in the "Biography of Directors and Senior Management" and "Corporate Governance Report" in the Annual Report of the Company.

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## LETTER FROM THE BOARD

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### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME**

#### **Existing Share Option Scheme**

The Existing Share Option Scheme was adopted by the Company on 23 June 2018, and it is valid and effective for a period of 10 years from the date of adoption. In view of the amendments to Chapter 23 of the GEM Listing Rules relating to share schemes which came into effect on 1 January 2023, the Company proposes to adopt the New Share Option Scheme to replace the Existing Share Option Scheme in order to conform with the new requirements under the GEM Listing Rules.

It is proposed that the Existing Share Option Scheme shall be terminated upon adoption of the New Share Option Scheme. Termination of the Existing Share Option Scheme shall not affect the validity of any outstanding options which shall continue to be enforceable according to the terms of the Existing Share Option Scheme. As at the Latest Practicable Date, there is no option granted and outstanding under the Existing Share Option Scheme, nor Shares that had been granted under the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company has no other share schemes other than the Existing Share Option Scheme.

#### **New Share Option Scheme**

The purposes of the New Share Option Scheme are (i) to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible 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, as well as to motivate Eligible Participants to contribute to the success of the Group's operations and (ii) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

The Board is of the view that the adoption of the New Share Option Scheme will provide the Company with more flexibility in long term planning of granting of the Options to the Eligible Participants and provide appropriate incentives or rewards to persons who contribute or may bring benefits to the Group. Therefore, the Board considers that it is in the interests of the Company and the Shareholders as a whole to adopt the New Share Option Scheme, which has been prepared in compliance with the GEM Listing Rules currently in force as at the Latest Practicable Date.

Ordinary resolutions will be proposed at the Annual General Meeting for the Shareholders to consider and, if thought fit, to approve the adoption of the New Share Option Scheme, which complies with the latest regulatory requirements under Chapter 23 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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Adoption of the New Share Option Scheme is conditional upon (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve and adopt the New Share Option Scheme and to authorise the Directors to grant Options at their absolute discretion thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any Option in accordance with the terms and conditions of the New Share Option Scheme.

### *Explanation of the terms of the New Share Option Scheme*

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

The Company has no plan or intention to grant Option to any Eligible Participant(s) under the New Share Option Scheme in the next 12-month period after obtaining the Shareholder's approval in the Annual General Meeting.

### *Eligible Participants*

Eligible Participants include Employee Participants, Related Entity Participants and Service Providers.

In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions or potential contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing or future development of the Group, the value which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to contribute towards the success of the Group's operations.

### *Employee Participants*

By offering Options to the Employee Participants, their interests will be aligned with the long-term development of the Group as they may also enjoy any potential upside from increasing the value of the Group. The New Share Option Scheme motivates employees and directors to stay in the Group and strive for the benefit of the Group as well as themselves. It aims to foster a long-term relationship with directors and employees by granting them an equity interest to share in any future growth of the Group.

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## LETTER FROM THE BOARD

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### *Related Entity Participants*

In respect of Related Entity Participants, which include associated companies of the Group, it is important to ensure that these associated companies shall thrive and provide satisfactory contributions to the Group. In respect of holding companies and fellow subsidiaries, these companies will often provide financial support or other business cooperations which will contribute to the continued success of the Group. Although the Company currently has no associated companies, the Directors consider that the Company should have the flexibility to grant Options to Related Entity Participants in future as incentives or rewards for their contributions to the Group which will help motivate such Participants to optimise their performance and efficiency and to attract and retain or otherwise maintain a long-term relationship with the Related Entity Participants. When making any grant to Related Entity Participants in future, the Board will consider the responsibility, contribution, materiality and nature of the business relations of the related entities to the Group, to ensure that such grants shall align with the purpose of the New Share Option Scheme.

Having taken into account of the fact that (i) the Related Entity Participants are in line with the Group's business needs and the market practice; (ii) recognizing the contribution of the Related Entity Participants may enhance their performance and further contribution to the Group; and (iii) the contributions from the Related Entity Participants are essential to the sustainable and successful development of the Group, the Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme and the long term interests of the Company and its Shareholders.

## LETTER FROM THE BOARD

### *Service Providers*

Under the New Share Option Scheme, in the case of Service Providers, such category of participants are advisers, consultants, contractors, suppliers, agents, entities providing business, development or other support to the Group, and other contractual parties, which may be entities in the marketing and consultancy industry that collaborate with the Group, directly contribute to the long-term growth of the Group's business by providing services that are on a continuing and recurring basis in its ordinary and usual course of the Group's business. Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme:

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme	Alignment with the purpose of the New Share Option Scheme
Contractors, agents and entities providing business, development or other support	Service Providers under this category are independent contractors, agents, and entities who/which provide (a) factory operational and inventory management services; (b) warehouse construction and maintenance services; (c) equipment installation and maintenance services; (d) research and development of product designs services; (e) procurement services; (f) sales and marketing services in respect of the Group's businesses; (g) technical support and information technology services; (h) human resources management services; and (i) client referral services, that are on a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across sales, procurement, manufacturing, marketing and research and development, and their contribution directly impacts the results of operations of the Group.	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractors, suppliers and agents and entities providing business, development or other support, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him/her/it;</li> <li>(ii) the ability of the Service Provider to maintain the quality of services;</li> <li>(iii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;</li> <li>(iv) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the financial return attributable to the Service Provider's collaboration with the Group;</li> <li>(v) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and</li> <li>(vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.</li> </ul>	<p>Aligning with the purpose of the New Share Option Scheme, remunerating the contractors, suppliers, agents and entities providing business, development or other support of the Group with equity incentives can recognize their contributions on the business development of the Group.</p> <p>The Board (including the independent non-executive Directors) considers that granting Options to the contractors, suppliers, agents and entities providing business, development or other support of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of contractors, suppliers, agents and entities providing business, development or other support of the Group as Eligible Participants under the New Share Option Scheme is as such fair and reasonable.</p>



## LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme	Alignment with the purpose of the New Share Option Scheme
Suppliers	Service Providers under this category are suppliers, which the Group engages for the provision of raw materials for the manufacture and sale of candle products, that are on a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations of manufacturing, and their contribution directly impacts the results of operations of the Group.	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such suppliers, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) the scale of the Service Provider's business dealings with the Group in terms of supply sales attributable by him/her/it;</li> <li>(ii) the ability of the Service Provider to maintain the quality of services;</li> <li>(iii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;</li> <li>(iv) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the financial return attributable to the Service Provider's collaboration with the Group;</li> <li>(v) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and</li> <li>(vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.</li> </ul>	<p>Aligning with the purpose of the New Share Option Scheme, remunerating the suppliers of the Group with equity incentives can recognize their contributions on the business development of the Group.</p> <p>The Board (including the independent non-executive Directors) considers that granting Options to the suppliers of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of suppliers of the Group as Eligible Participants under the New Share Option Scheme is as such fair and reasonable.</p>

## LETTER FROM THE BOARD

Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme	Alignment with the purpose of the New Share Option Scheme
Advisers and consultants	<p>Service Providers are advisers and consultants with relevant expertise in fields related to the industry which have unique knowledge of market trends and product roadmap during the short to long term, and technical consultants which may advise on and assist the Company in its business and product development and improve (a) its production operations and management capabilities, (b) its sales and marketing capabilities, and (c) its product operations and business development capabilities. Such Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products, production management, as well as marketing. The strategic advice and guidance provided by engaging these Service Providers benefit the Group in its ordinary and usual course of business and can bring positive impacts to the planning of future business strategies of the Group for long-term growth.</p>	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such advisers and consultants, including but not limited to:</p> <ul style="list-style-type: none"> <li>(i) the expertise, professional qualifications and industry experience of the Service Provider;</li> <li>(ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;</li> <li>(iii) the prevailing market fees chargeable by other services providers;</li> <li>(iv) the Group's length of engagement of or collaboration with the Service Provider; and</li> <li>(v) the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in revenue or profit.</li> </ul>	<p>Aligning with the purpose of the New Share Option Scheme, independent advisers and consultants of the Group with equity incentives can recognize their contributions on the business development of the Group.</p> <p>The Board (including the independent non-executive Directors) considers that granting Options to the independent advisers and consultants of the Group will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise its discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth. The inclusion of the independent advisers and consultants of the Group as Eligible Participants under the New Share Option Scheme is as such fair and reasonable.</p>

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## LETTER FROM THE BOARD

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In respect of Service Providers, the Board will consider the following, including but without limitation, the actual degree of involvement in and/or cooperation with the Group, length of collaborative relationship the Service Provider has established with the Group, the materiality and nature of the business relationship with the Group, and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider.

Remunerating the Service Providers with equity incentives can serve as a recognition of their know-how and expertise that have contributed and/or will contribute to the development of the Group, which may in turn strengthen their collaboration and ties with the Group. Thus, such remuneration aligns with the purpose of the New Share Option Scheme. The Directors (including all of the independent non-executive Directors) are of the view that granting Options to the Service Providers will align their long-term interests with those of the Group and the Shareholders, while maintaining the necessary flexibility for the Board to exercise their discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth.

### *Scheme Mandate Limit and Service Provider Sublimit*

In accordance with Rule 23.03B(1) of the GEM Listing Rules and the New Share Option Scheme, the Scheme Mandate Limit, being the total number of Shares which may be allotted and issued in respect of all options and awards to be granted under the New Share Option Scheme and any other share scheme(s) existing at such time, must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of this limit by the Shareholders at the Annual General Meeting. Further, pursuant to Rule 23.03B(2) of the GEM Listing Rules and the New Share Option Scheme (and other share scheme(s), where applicable), within the Scheme Mandate Limit, the Service Provider Sublimit, being the total number of Shares which may be allotted and issued in respect of all options and awards to be granted to the Service Providers under the New Share Option Scheme and any other share scheme(s) existing at such time, must not in aggregate exceed 10% of the Scheme Mandate Limit.

As at the Latest Practicable Date, the Company had a total of 1,100,000,000 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, (i) the Scheme Mandate Limit will be 110,000,000 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the Service Provider Sublimit will be 11,000,000 Shares, representing 10% of the Scheme Mandate Limit as at the Adoption Date.

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## LETTER FROM THE BOARD

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The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers, (ii) the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, (iii) the actual or expected reduction in costs of the Group or increase in the Group's revenue or profits which is attributable to the Service Providers, and the nature of the Service Providers' contribution to the long-term growth of the Group's business and future capital need of the Group, (iv) the extent of use of Service Provider in the Group's business, (v) the current payment and/or settlement arrangement with the Service Providers, and (vi) the fact that the Company expects that a majority of Options and awards will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a Service Provider Sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings. The Group engages the Service Providers to provide services to the Group, including advisory and consultancy services to the Group for the purpose of maintaining the Group's competitiveness in the long run. The Service Providers possess industry-specific knowledge or valuable experience or deep understanding or insight in the business, innovation of technology or commercial areas of the Group. The Group is of the view that the Service Providers' continuing and recurring engagement and cooperation with the Group would benefit the Group on a frequent and successive basis in its ordinary and usual course of business, the Board believes that the Service Provider Sublimit would provide the Group with flexibility to provide equity incentives to reward and collaborate with Service Providers which are not employees of the Group but who may have exceptional expertise and knowledge and who may be able to contribute to the Group in a way substantively comparable to contributions of highly-skilled or executive employees of the Group.

Given the above, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 10% of Scheme Mandate Limit for the Service Provider Sublimit can provide adequate safeguard against excessive dilution. The Directors have also made reference to the 1% Individual Limit (as defined below) and considered that the Service Provider Sublimit of 10% would not lead to an excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval by the Shareholders at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### *Vesting Period*

The vesting period of Options granted under the New Share Option Scheme shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, Options granted to Employee Participants may be subject to a shorter vesting period under any of the circumstances stated under paragraph 9 of Appendix III to this circular. The Remuneration Committee is of the view and the Board concurs that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the grantee; (ii) there is a need for the Group to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Remuneration Committee is of the view and the Board concurs that the shorter vesting period prescribed in paragraph 9 of Appendix III to this circular, which is available to Employee Participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grant of Options to Directors and/or senior management of the Group), is in line with the market practice, is appropriate and aligns with the purpose of the New Share Option Scheme.

### *Performance Targets and Clawback Mechanism*

Performance Targets (as defined under paragraphs 9 of Appendix III to this circular) may be set out in the offer letter, and if so, the Selected Participants shall be required to fulfill such Performance Targets before any Options can be exercised. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, Options granted to the grantee may be subject to one or more of the Performance Targets as stated under paragraph 9 of Appendix III to this circular.

Under the New Share Option Scheme, the Board may (but are not obliged to) by notice in writing to the Selected Participant(s) concerned clawback or extend the vesting period if any of the clawback events, as stated under paragraph 24 of Appendix III to this circular, shall occur. The clawback mechanism is also specified precisely in the rules of the New Share Option Scheme and also stated under paragraph 24 of Appendix III to this circular.

The Directors consider that the flexibility given to the Board in relation to the Performance Targets and clawback mechanism will place the Group in a better position to have post-grant assessment on the contribution of a particular Selected Participant relative to the business performance of the Group on a continuing basis.

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## LETTER FROM THE BOARD

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### *Exercise Price*

The Exercise Price in respect of any Option shall be such price determined by the Board at its absolute discretion and notified to the Selected Participant at the time of the offer and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant;
- (b) the average closing price of the Share as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of a Share on the Date of Grant.

The basis for determining the Exercise Price is also specified precisely in the rules of the New Share Option Scheme. The Board considers that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 26 March 2024. The Board proposes to seek approval from the Shareholders at the Annual General Meeting for amendments to the Memorandum and Articles of Association for the purposes of, among others, (i) updating and bringing the Memorandum and Articles of Association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the GEM Listing Rules which have taken effect from 31 December 2023; and (ii) making certain housekeeping changes (collectively, the “**Proposed Amendments**”). The Company will seek approval from the Shareholders at the Annual General Meeting for the adoption of the New Memorandum and Articles of Association incorporating the Proposed Amendments. The adoption of the New Memorandum and Articles of Association is subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting. Details of the Proposed Amendments are set out in Appendix IV to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the GEM Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange.

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## LETTER FROM THE BOARD

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### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 53 to 60 of this circular is the notice of the Annual General Meeting at which, inter alia, (a) ordinary resolutions will be proposed to the Shareholders to consider and approve (i) the granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares, (ii) the re-election of the Retiring Directors, and (iii) the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme, and (b) special resolution will be proposed to the Shareholders to consider and approve the Proposed Amendments and the adoption of the New Memorandum and Articles of Association of the Company.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 31 May 2024 to Friday, 7 June 2024 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 30 May 2024.

### FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hyfusingroup.com](http://www.hyfusingroup.com)). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules and article 72 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the general 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 taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, and 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 resolutions to be proposed at the Annual General Meeting.

### RECOMMENDATION

The Directors consider that the proposed grant of the Issue Mandate to issue Shares, the Repurchase Mandate to repurchase Shares, the re-election of the Retiring Directors, the proposed adoption of the New Memorandum and Articles of Association incorporating the Proposed Amendments, and the proposed adoption of the New Share Option Scheme are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### 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.

### COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

### DOCUMENT ON DISPLAY

A copy of the rules of the New Share Option Scheme will be published on the websites of Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.hyfusingroup.com>) for display for a period of not less than 14 days before the date of the Annual General Meeting and will be made available for inspection at the Annual General Meeting.

Yours faithfully  
By order of the Board  
**Hyfusin Group Holdings Limited**  
**WONG Wai Chit**  
*Chairman and Executive Director*



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## APPENDIX I                      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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*The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, none of the following Directors, save as disclosed herein, had any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, and other major appointments and professional qualification. Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (as defined in the GEM Listing Rules).

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

### **Independent Non-executive Directors**

#### **Mr. Ho Chi Wai**

**Mr. Ho Chi Wai (何志威)**, aged 49, was appointed as our independent non-executive Director on 23 June 2018 and is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. Mr. Ho provides independent advice to our Board on management and provides independent judgment on the issue of strategy, performance, resources and standard of conduct of our Company, despite that he is not participating in the day-to-day management of our business operation.

Mr. Ho has over 27 years of experience in audit assurance and business consulting. He is currently a partner of SRF Partners & Co., Certified Public Accountants. Prior to starting his own practice in 2012, Mr. Ho had been appointed, among others, from May 2010 to November 2011, the principal, from May 2005 to May 2010, the audit manager and from May 2000 to May 2005, the audit senior of an accounting firm, from May 1999 to May 2000, the audit senior, and from June 1997 to April 1999, an audit staff of a local accounting firm.

Mr. Ho obtained a Bachelor of Business Administration degree from Lingnan University (formerly known as Lingnan College) in 1997 and a Master of Finance degree from Jinan University in 2012. He is currently a practicing certified public accountant of the Hong Kong Institute of Certified Public Accountants, a certified tax adviser at the Taxation Institute of Hong Kong, a fellow member of the Taxation Institute of Hong Kong, a fellow member of the Association of International Accountants, a fellow member of Association of Chartered Certified Accountants and a member of the Hong Kong Independent Non-Executive Investor Association.

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## APPENDIX I                      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Mr. Ho has been appointed as, since March 2014, an independent non-executive director of Wai Chi Holdings Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1305), from June 2012 to October 2013, an independent non-executive director of Ming Kei Holdings Limited (now known as Capital Finance Holdings Limited), the shares of which are listed on GEM of the Stock Exchange (Stock code: 8239), and since May 2018, an independent non-executive director of Affluent Foundation Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1757).

Mr. Ho has entered into a letter of appointment with the Company for a term of 3 years commencing from 19 July 2021 and may be terminated by not less than 3 months' notice in writing served by either party on the other. He is entitled to receive emoluments of HK\$180,000 per annum as determined by the Board with reference to the experience, responsibility, workload and time devoted to the Group.

As at the Latest Practicable Date, Mr. Ho did not have any interests in the Shares within the meaning of Part XV of the SFO.

### **Mr. Chu Kin Wang, Peleus**

**Mr. Chu Kin Wang, Peleus** (朱健宏), aged 59, was appointed as our independent non-executive Director on 1 December 2021 and is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. Mr. Ho provides independent advice to our Board on management and provides independent judgment on the issue of strategy, performance, resources and standard of conduct of our Company, despite that he is not participating in the day-to-day management of our business operation.

Mr. Chu has over 32 years of experience in corporate finance, auditing, accounting and taxation. He is an independent non-executive director of China First Capital Group Limited (Stock code: 1269), Huayu Expressway Group Limited (Stock code: 1823), Tianli Holdings Group Limited (Stock code: 117), Mingfa Group (International) Company Limited (Stock code: 846), and Silk Road Logistics Holdings Limited (Stock code: 998), all of the above companies are listed on the Main Board of the Stock Exchange. Mr. Chu is also an independent non-executive director of Madison Holdings Group Limited (Stock code: 8057), which is listed on the GEM of the Stock Exchange.

Mr. Chu was an executive director of Momentum Financial Holdings Limited (Stock code: 1152) from August 2021 to March 2022, an independent non-executive director of Telecom Service One Holdings Limited (Stock code: 3997) from April 2013 to December 2017, Xinming China Holdings Limited (Stock code: 2699) from April 2021 to August 2021, and Peking University Resources (Holdings) Company Limited (Stock code: 618) from October 2021 to October 2022, and a non-executive director of Perfect Group International Holdings Limited (Stock code: 3326) from August 2015 to March 2017. He was also an independent non-executive director of China Huishan Dairy Holdings Company Limited (Stock code: 6863) from June 2017 to December 2017, PT International Development Corporation Limited (Stock code: 372) from March 2017 to September 2017, Flyke International Holdings Limited (Stock code: 1998) from February 2010 to December 2020 and a deputy chairman and executive director of Chinese People Holdings Company Limited (Stock code: 681) from December 2008 to October 2020. All of the above companies are listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of SuperRobotics Holdings Limited (Stock code: 8176) from March 2012 to November 2021, which is listed on the GEM of the Stock Exchange.

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**APPENDIX I                      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Chu obtained a master's degree in Business Administration from The University of Hong Kong in December 1998. Mr. Chu is a fellow of the Hong Kong Institute of Certified Public Accountants and is also an associate member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute.

Mr. Chu has entered into a letter of appointment with the Company as an independent non-executive Director for a period of three years commencing on 1 December 2021 which may be terminated by either the Company or Mr. Chu by giving at least three months written notice or otherwise in accordance with the terms of the letter of appointment. Pursuant to the letter of appointment entered into between Mr. Chu and the Company, Mr. Chu is entitled to a director's fee of HK\$96,000 per annum. The amount is determined by the Remuneration Committee after having considered his experience, responsibility, workload, time devoted to the Company and current market conditions and may be reviewed from time to time at the discretion of the Board.

As at the Latest Practicable Date, Mr. Chu did not have any interests in the Shares within the meaning of Part XV of the SFO.

*This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to approve the Repurchase Mandate.*

### **GEM LISTING RULES**

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their Shares on the Stock Exchange subject to certain restrictions.

### **SHAREHOLDERS' APPROVAL**

All proposed repurchases of Shares by a company with a primary listing on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the number of issued Shares was 1,100,000,000 Shares of nominal value of HK\$0.01 each which have been fully paid or credited as fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 110,000,000 Shares which represent 10% of the total number of issued Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

### **REASONS FOR AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Companies Act, out of capital.

**FUNDING OF REPURCHASE**

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors believe that if the Repurchase Mandate is exercised in full, it may/may not have a material adverse impact on the working capital and/or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

**SHARE PRICES**

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during the 12 calendar months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest prices</b>	<b>Lowest prices</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2023</b>		
April	0.158	0.145
May	0.175	0.158
June	0.172	0.157
July	0.206	0.160
August	0.235	0.160
September	0.189	0.164
October	0.220	0.170
November	0.255	0.185
December	0.214	0.165
<b>2024</b>		
January	0.220	0.188
February	0.250	0.206
March	0.250	0.217
April (up to the Latest Practicable Date)	0.350	0.234

**UNDERTAKING**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the GEM Listing Rules), have any present intention if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

No core connected person (as defined in the GEM Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

### **TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Wong Wai Chit and his spouse, Ms. Iong Man Lai, and Mr. Wong Man Chit and his spouse, Ms. Tse Sheung are parties acting in concert (the "**Concert Parties**") and were deemed to be interested in 643,500,000 Shares held by AVW International Limited, a company is beneficially owned as to 50% by Mr. Wong Wai Chit and 50% by Mr. Wong Man Chit, representing approximately 58.5% of the number of issued Shares in aggregate. In the event that the Directors should exercise in full the Repurchase Mandate, their shareholding in the Company will be increased to approximately 65.0% of the number of the issued Shares. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for the Concert Parties to make a mandatory offer. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any purchase by the Company of its Shares.

The GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued Shares would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

### **SHARE REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company during the six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

*Set out below is a summary of the principal terms of the New Share Option Scheme to provide sufficient information to Shareholders for their consideration of the New Share Option Scheme proposed to be adopted at the Annual General Meeting.*

## 1. PURPOSE

The purpose of the New Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible 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, as well as to motivate Eligible Participants to contribute to the success of the Group's operations. The New Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

## 2. ELIGIBILITY OF THE PARTICIPANTS

The Board may, at its absolute discretion, invite any person belonging to any of the following classes of persons of any member of the Group, to be an Eligible Participant of the New Share Option Scheme and to take up an Option to subscribe for Shares:

- (a) any Director or employee of the Company or any of its Subsidiaries (including any person who is granted Option(s) under the New Share Option Scheme as an inducement to enter into employment contract with these companies), and shall not include independent non-executive Directors of the Company (each, an **"Employee Participant"**);
- (b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company (each, a **"Related Entity Participant"**); and
- (c) any person(s) who provide(s) services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work(s) for the Company as independent contractors (including advisers, consultants, contractors, suppliers, agents, entities providing business, development or other support and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity (each, a **"Service Provider"**).

For the avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or any other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under the New Share Option Scheme.

In determining the eligibility of an Employee Participant, the Board may consider all relevant factors as appropriate, including, among other things:

- (a) the individual's skills, knowledge, experience, expertise relevant to the operations of the Group and in enhancing the value of the Company and its Shares;
- (b) the individual's performance, length of services, responsibilities or employment terms and the prevailing market practice and industry standard;
- (c) the individual's contribution made or expected to be made towards the success of the Group's operations or enhancing the value of the Company and its Shares; and
- (d) the individual's educational and professional qualifications, and knowledge in the industry in which the Group is currently having operations or the industry in which the Group is going to develop.

In assessing the eligibility of a Related Entity Participant, the Board may consider all relevant factors as appropriate, including, among other things:

- (a) the responsibility taken up or to be taken up by the Related Entity Participant towards the success of the Group's operations or enhancing the value of the Company and its Shares;
- (b) the positive impacts brought by, or expected to be brought by, the Related Entity Participant on the Group's business development in terms of financial performance or financial position;
- (c) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships;
- (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
- (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the principal businesses of the Group through a collaborative relationship.

In assessing the eligibility of a Service Provider, the Board may consider all relevant factors as appropriate, including, among other things:

- (a) in respect of contractors, suppliers and agents and entities providing business, development or other support:
  - (i) the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him/her/it;



- (ii) the ability of the Service Provider to maintain the quality of services;
  - (iii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;
  - (iv) the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the financial return attributable to the Service Provider's collaboration with the Group;
  - (v) the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
  - (vi) the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.
- (b) in respect of advisers and consultants:
- (i) the expertise, professional qualifications and industry experience of the Service Provider;
  - (ii) the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;
  - (iii) the prevailing market fees chargeable by other services providers;
  - (iv) the Group's length of engagement of or collaboration with the Service Provider; and
  - (v) the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in revenue or profit.

### **3. DURATION AND ADMINISTRATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date and shall expire at the close of business on the day which falls 10 years thereof, after which no further Options may be issued or granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto otherwise as may be required in accordance with the provisions of the New Share Option Scheme. The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

**4. GRANT AND ACCEPTANCE OF OPTIONS**

Subject to the terms of the New Share Option Scheme, all applicable GEM Listing Rules and statutory requirements, the Board may at any time and from time to time within the duration of the New Share Option Scheme, in their absolute discretion make offer to the Eligible Participants. An offer shall be made to an Eligible Participant in writing in such form as the Board may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from, and inclusive of, the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the Adoption Date or the termination of the same. In respect of any Options to be granted, the date of offer shall be taken as the date of grant for the purpose of calculating the exercise price for Shares.

An offer shall be deemed to have been accepted by the Eligible Participant concerned when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

**5. EXERCISE PRICE OF SHARES**

The Exercise Price in respect of any Option shall be such price determined by the Board at its absolute discretion and notified to the Selected Participant at the time of the offer and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant;
- (b) the average closing price of the Share as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of a Share on the Date of Grant.

For the purpose of this paragraph, if the Date of Grant does not fall on a Business Day, the Date of Grant shall be deemed the following Business Day.

**6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

- (i) The total of Shares which may be allotted and issued upon exercise of all Options and awards to be granted under the New Share Option Scheme and any other share option schemes must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of this limit by the Shareholders at the Annual General Meeting (the “**Scheme Mandate Limit**”) unless the Company obtains a fresh approval from the Shareholders pursuant to (iii) below. On the basis of a total of 1,100,000,000 Shares in issue as at the Adoption Date, the relevant limit will be 110,000,000 Shares which represent 10% of the issued Shares as at the Adoption Date. Options and awards lapsed will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (ii) Subject to (i) above, within the Scheme Mandate Limit, the total number of Shares which may be allotted and issued upon exercise of all Options and awards to be granted under the New Share Option Scheme and any other share schemes to the Service Providers must not in aggregate exceed 10% of the Scheme Mandate Limit (the “**Service Provider Sublimit**”) unless the Company obtains a fresh approval from the Shareholders pursuant to (iii) below.
- (iii) The Company may refresh the Scheme Mandate Limit (and the Service Provider Sublimit) at any time by obtaining approval of the Shareholders in general meeting after three (3) years from the Adoption Date or the date of the Shareholders’ approval for the last refreshment, provided that:
  - i. the total number of Shares which may be issued in respect of all share options and share awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Mandate Limit as refreshed (the “**Refreshed Scheme Mandate Limit**”) shall not exceed 10% of the Shares in issue at the date of the Shareholders’ approval of such Refreshed Scheme Mandate Limit and, and the Service Provider Sublimit as refreshed (the “**Refreshed Service Provider Sublimit**”) shall not exceed 10% of the Refreshed Scheme Mandate Limit; and
  - ii. the Company must send a circular to its Shareholders containing the number of Options, share options and share awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reason for the refreshment.
- (iv) Any refreshment to the Scheme Mandate Limit (and the Service Provider Sublimit) within any three (3) year period must be approved by the Shareholders, subject to:
  - i. any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

- ii. the Company must comply with the requirements under Rules 17.47(6), 17.47(7), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.
  
- (v) The requirements under paragraph (iii) and (iv) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 17.41(1) of the GEM Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
  
- (vi) For the purpose of calculating the Scheme Mandate Limit, Service Provider Sublimit, Refreshed Scheme Mandate Limit or Refreshed Service Provider Sublimit, as the case may be, Options or share options or share awards previously granted under the Scheme or any other share option scheme(s) or share award scheme(s) of the Company lapsed in accordance with the terms of the scheme shall not be regarded as utilized.
  
- (vii) The Company may also seek separate Shareholders' approval in general meeting or granting Options, share options and share awards under this Scheme or other share option scheme(s) or share award scheme(s) of the Company beyond the Scheme Mandate Limit, provided the share options or share awards in excess of the Scheme Mandate Limit are granted only to Selected Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Selected Participant who may be granted such share options or share awards, the number and terms of the share options or share awards to be granted to each Selected Participant, and the purpose of granting share options or share awards to the specified Selected Participants with an explanation as to how the terms of the share options or share awards serve such purpose. The number and terms of share options or share awards to be granted to such Selected Participant must be fixed before Shareholders' approval. In respect of any share options or share awards to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.
  
- (viii) If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit, the Service Provider Sublimit or any of the renewal limit has been approved by the Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options and awards to be granted under this Scheme and any other share schemes of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

**7. LIMIT ON GRANTING AWARDS TO INDIVIDUAL ELIGIBLE PARTICIPANTS**

Where any grant of Options of Shares to an Eligible Participant would result in the Shares issued and to be issued in respect of all Options and awards granted to such person (excluding any Options lapsed) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (the “**1% Individual Limit**”), such grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a connected person) abstaining from voting.

The Company shall send a circular to its Shareholders and such circular must disclose the identity of the Selected Participant, the number and terms of the Options to be granted (and those previously granted to such Selected Participant in the 12-month period), the purpose of granting Options to the Selected Participant and an explanation as to how the terms of the Options serve such purpose, and such other information as may be required under the GEM Listing Rules. The number and terms of the share options to be further granted to such grantee must be fixed before Shareholders’ approval. In respect of any share options or share awards to be further granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

**8. GRANTING OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR RESPECTIVE ASSOCIATES**

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

Where any grant of Options to a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and awards of Shares granted (excluding any Options and awards lapsed) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by our Shareholders in general meeting. The Company shall send a circular to its Shareholders containing all information as required under the GEM Listing Rules in this regard. The grantee, his associates and all core connected persons of the Company must abstain from voting at such general meeting.

The circular sent under this paragraph must contain:

- (i) details of the number and terms (including Exercise Price) of the Options to be granted to each participant, which must be fixed before the Shareholders’ meeting and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purposes of calculating the Exercise Price;

- (ii) a recommendation from the independent non-executive Directors to the independent Shareholders as to voting; and
- (iii) the information required under the GEM Listing Rules and the information as may be required under the GEM Listing Rules from time to time.

Any change in the terms of Options granted to an Eligible Participant who is a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner set out in the GEM Listing Rules if the initial grant of the Option(s) requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

For the avoidance of doubt, the requirements for the grant of Options to a Director or chief executive of the Company set out in Rule 23.04 of the GEM Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

## 9. EXERCISE OF OPTIONS

Performance Targets (as defined hereinafter) may be set out in the offer letter, and if so, the Selected Participants shall be required to fulfil such Performance Targets before any Options can be exercised.

Such performance targets may include, without limitation, one or more of the following (the “**Performance Targets**”):

- (a) any measurable performance benchmark, including financial and management targets, which the Board considers relevant to the grantee, such as key performance indicators of respective department(s) and/or business unit(s) that the grantee belongs, individual position, annual appraisal result and performance of the grantee determined under the Company’s employee performance evaluation system;
- (b) the grantee’s fulfilment of milestones with respect to, including but not limited to, business development of the Group;
- (c) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and/or
- (d) any other performance targets as the Board determines as appropriate.

Subject as hereinafter provided and to the restrictions which may be imposed (including the satisfaction of the vesting period and other exercise conditions), an Options may be exercised at any time during the option period which must not be more than 10 years from the date of grant of the Options.

The vesting period of Options granted under the New Share Option Scheme shall not be less than 12 months. Notwithstanding the foregoing, Options granted to Employee Participants may be subject to a shorter vesting period under any one of the following circumstances and as deemed appropriate at the sole discretion of the Board or the remuneration committee:

- (a) grants of “make-whole” Options to new joiners to replace the share options or shares they forfeited when leaving their previous employers;
- (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Options that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; or
- (e) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria.

Subject to terms of the New Share Option Scheme, an Option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for Shares in respect of which the notice is given. Within 30 days after receipt of the notice and, where appropriate, receipt of the auditors’ or the independent financial adviser’s certificate, the Company shall accordingly allot the relevant number of Shares to the grantee (or his legal personal representative) credited as fully paid.

The exercise of any Option shall be subject to the Shareholders of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, our Directors shall make available sufficient authorised but unissued share capital of the Company to allot the Shares for the exercise of any Option.

**10. TRANSFERABILITY OF THE OPTIONS**

An Option granted under the New Share Option Scheme shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any other person over or in relation to any Option held by him or any offer made to him or attempt to do so, except where applicable under the GEM Listing Rules, when the Stock Exchange has granted a waiver to the grantee to transfer his/her Options to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Option Scheme and comply with other requirements under the GEM Listing Rules or for the transmission of an Option on the death of the grantee to his personal representative(s) on terms of the New Share Option Scheme. Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee without incurring any liability on the part of the Company.

**11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

No Options shall be granted by the Board where dealings in the Shares are prohibited under any code or requirement of the GEM Listing Rules, the SFO, all applicable laws and any internal code of conduct in securities dealing adopted by the Company from time to time. In particular, no Options shall be granted during the period commencing one (1) month immediately before the earlier of:

- (a) the date of board meeting (as such date is first notified to the Stock Exchange under Rule 17.48 of the GEM Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcements;
- (b) the deadline for the Company to announce its results for any year or half-year under Rule 18.49 or 18.78 of the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcements;
- (c) during any period of delay in publishing a results announcement of the Company; and
- (d) in any circumstance where such option is prohibited under the GEM Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.



**12. RIGHTS ARE PERSONAL TO GRANTEES**

An Option granted under the New Share Option Scheme shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any other person over or in relation to any Option held by him or any offer made to him or attempt to do so. Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee without incurring any liability on the part of the Company.

**13. RIGHTS OF CEASING RELATIONSHIP**

Where an offer is made to a grantee and he subsequently ceases to be an Eligible Participant:

- (a) in the event the grantee (being an Employee Participant) ceases to be an Employee Participant for any reason other than (i) his death or (ii) on one or more of the grounds of termination of employment that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become bankrupt or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or on any other ground on which an employer would be entitled to terminate his employment summarily, the Option (which is only applicable to vested Option under the New Share Option Scheme with a vesting period not shorter than 12 months) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines (such as by reason of disability, ill-health or retirement in accordance with the relevant contract of employment) in which event the Option shall be exercisable to the extent and within a period of twelve (12) months following the date of cessation of employment (or such longer period as the 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 any member of the Group) shall be the last actual working day on which the grantee was physically at work with the Company or the relevant Subsidiary of the Company, whether salary is paid in lieu of notice or not;
- (b) in the event the grantee ceases to be an Employee Participant for reason of his death before exercising the Option (which is only applicable to vested Option under the New Share Option Scheme with a vesting period not shorter than 12 months) in full and none of the events for termination of employment under paragraph (a) then exists with respect to such grantee, the personal representative(s) of the grantee shall be entitled within a period of twelve (12) months (or such longer period as the Board may determine) from the date of death to exercise the Option up to the entitlement of such grantee as at the date of death.

**14. RIGHTS OF DEATH**

In the event of the grantee ceasing to be an Employee Participant by reason of his death before exercising the Options in full provided that none of the events which would be a ground for termination under paragraph 23(f) 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 (or such longer period as our Board may determine) from the date of death to exercise the Option up to the entitlement of such grantee as at the date of death.

**15. CANCELLATION OF OPTIONS**

Subject to paragraph 12 above, any cancellation of Options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph 12.

Where the Company cancels Options and offers new Options to the same Eligible Participant, the offer of such new Options may only be made under the New Share Option Scheme with available unissued Options within the Scheme Mandate Limit or (in case of the Eligible Participant being a Service Provider) the Service Provider Sublimit.

**16. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of an alteration in the capital structure of the Company whilst any Option granted under the New Share Option Scheme but remains exercisable whether by way of capitalisation issue, rights issue, subdivision or consolidation of Shares, or reduction of the share capital of the Company (other than an issue of Shares as consideration in a transaction), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares comprised in each Option so far as unvested;
- (ii) the number or nominal amount of Shares comprised in each Option so far as vested but unexercised; and/or
- (iii) the Exercise Price;

as the auditors or an independent financial advisor engaged by the Company for such purpose shall, at the request of the Company, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided that any such adjustments give a grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The capacity of the auditors or independent financial advisor (as the case may be) in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the grantees. The costs of the auditors or independent financial advisor (as the case may be) in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme shall be borne by the Company. The auditors or independent financial advisor (as the case may be) must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules.

**17. RIGHTS ON A GENERAL OFFER OR SCHEME OF ARRANGEMENT**

If a general or partial offer by way of scheme of arrangement is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such scheme of arrangement is formally proposed to the Shareholders, the grantee shall, notwithstanding any other term on which his Options were granted, be entitled to exercise the Option (which are only applicable to vested Options under the New Share Option Scheme with a vesting period not shorter than 12 months, and to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time thereafter and the record date for entitlements under the scheme of arrangement.

If a general or partial offer is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, the grantee shall, notwithstanding any other term on which his Options were granted, be entitled to exercise the Option (which are only applicable to vested Options under the New Share Option Scheme with a vesting period not shorter than 12 months, and to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time thereafter and up to the close of such offer (or any revised offer).

**18. RIGHTS ON WINDING UP**

If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same day as or soon after it despatches such notice to each member of the Company give notice thereof to all the grantees and thereupon, each grantee (or his respective personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company, accompanied by the remittance of the Exercise Price in respect of the relevant Option (such notice to be received by the Company not later than two (2) Business Days prior to the proposed general meeting of the Company) exercise the Option (which are only applicable to vested Options under the New Share Option Scheme with a vesting period not shorter than 12 months, and to the extent which has become exercisable and not already exercised) whether in full or in part and the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such Shares.

## 19. RIGHTS ON A COMPROMISE OR ARRANGEMENT

Other than a general or partial offer or a scheme of arrangement contemplated in paragraph 17 above, if 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 of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the grantees on the same day as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a scheme or arrangement, and thereupon each grantee (or his personal representative(s)) may by notice in writing to the Company accompanied by the remittance of the Exercise Price in respect of the relevant Option (such notice to be received by the Company not later than two (2) Business Days before the proposed meeting) exercise any of his Options (which are only applicable to vested Options under the New Share Option Scheme with a vesting period not shorter than 12 months, and to the extent which has become exercisable and not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. The Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such Shares. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

## 20. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the articles of association of the Company for the time being in force and shall 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, or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members of the Company (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. 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.

**21. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME**

The Board may amend any of the provisions of the New Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the New Share Option Scheme, which are not restricted under Chapter 23 of the GEM Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the Selected Participants must be approved by Shareholders in general meeting.

Any change to the terms of Options granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), unless the alterations take effect automatically under the existing terms of this Scheme.

Any change to the authority of the Directors or the administrators of the New Share Option Scheme to alter the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

The amended terms of this Scheme and/or any Options pursuant to this paragraph 21 must comply with the relevant requirements of Chapter 23 of the GEM Listing Rules issued by the Stock Exchange from time to time.

**22. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall take effect on the Adoption Date and is conditional upon:

- (a) the passing of an ordinary resolution in the Annual General Meeting to approve and adopt the New Share Option Scheme and to authorise the Directors to grant Options at their absolute discretion thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be allotted and issued pursuant to the exercise of any Option in accordance with the terms and conditions of the New Share Option Scheme.

**23. 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 the periods for exercising the Option as referred to in paragraphs 13, 17, 18 and 19;
- (c) subject to the scheme of arrangement (referred to in paragraph 17) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 17;
- (d) subject to the voluntary winding-up of the Company (referred to in paragraph 18), the expiry of the period for exercising the Option as referred to in paragraph 18;
- (e) the date on which the grantee commits a breach of paragraph 12;
- (f) the date on which the grantee (being an Employee Participant) ceases to be an Employee Participant by reason of the termination of his employment on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become bankrupt or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or on any other ground on which an employer would be entitled to terminate his employment summarily;
- (g) 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;
- (h) where the grantee is a Related Entity Participant or a Service Provider, the date on which the Board shall at its absolute discretion determine that: (a) the grantee has committed any breach of any contract entered into between the grantee, his/her/its associate and/or the relevant related entity and/or the service provider on the one part and any member of the Group on the other part; (b) the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with its creditors generally; or (c) the grantee and/or the relevant Related Entity Participant or the Service Provider which the grantee served could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever;

- (i) where the grantee is an Employee Participant, a Related Entity Participant or a Service Provider of a member of the Group (other than the Company), the date on which such member ceases to be a Subsidiary of the Company; and
- (j) unless the Board otherwise determines, and other than in the circumstances referred to in paragraph 13, the date the grantee ceases to be a Selected Participant (as determined by a Board resolution) for any reason.

Transfer of employment of a grantee who is a Selected Participant from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered as a cessation of employment if a grantee who is a Selected Participant is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the grantee.

#### **24. CLAWBACK MECHANISM**

Under the New Share Option Scheme, the Directors may (but are not obliged to) by notice in writing to the Selected Participant concerned clawback or extend the vesting period if any of the following events shall occur:

- (a) any material misstatements or omissions in the Company's financial statements by a grantee;
- (b) any violation by a grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such grantee of the Group's trade secrets, intellectual property or proprietary information;
- (c) any termination of employment contracts by a grantee without notice or payment in lieu of notice;
- (d) any conviction of any criminal offence by a grantee involving integrity or honesty; or
- (e) any conduct of a grantee that has material adverse effect to the reputation or interests of the Group,

the Options may be subject to clawback as considered, determined and approved by the Board where appropriate. The clawback of Options granted to the Directors and senior management of the Group, and any grants of Options to the Directors and senior management of the Group without clawback, shall be further subject to the satisfaction of any other requirements under the GEM Listing Rules. The Options that are clawed back pursuant to this paragraph shall be regarded as cancelled and the Options so cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be).

**25. TERMINATION**

The Company may by ordinary resolution in general meeting terminate the operation of the New Share Option Scheme and in such event no further Options shall be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options which are not exercised and outstanding immediately prior to the termination of the operation of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.



The following are the proposed amendments to be made to the Memorandum and Articles of Association. Unless otherwise specified, articles referred to herein are articles of the Memorandum and Articles of Association:

Before Amendments	Proposed Amendments
<b>COVER</b>	
AMENDED AND RESTATED MEMORANDUM ARTICLES OF ASSOCIATION  Hyfusin Group Holdings Limited 凱富善集團控股有限公司  (as adopted by a Special Resolution passed on 10 June 2022)	<del>AMENDED AND</del> <del>RESTATED MEMORANDUM ARTICLES</del> <del>OF ASSOCIATION</del>  <del>Hyfusin Group Holdings Limited</del> <del>凱富善集團控股有限公司</del>  (as adopted by a Special Resolution passed on <del>10 June 2022</del> [•••] 2024)
<b>MEMORANDUM OF ASSOCIATION</b>	
AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF  HYFUSIN GROUP HOLDINGS LIMITED 凱富善集團控股有限公司  (Company)  (adopted by a Special Resolution passed on 10 June 2022)	<del>AMENDED AND RESTATED</del> <del>MEMORANDUM</del> <del>OF ASSOCIATION OF</del>  <del>HYFUSIN GROUP HOLDINGS LIMITED</del> <del>凱富善集團控股有限公司</del>  (Company)  (adopted by a Special Resolution passed on <del>10 June 2022</del> [•••] 2024)
<b>ARTICLES OF ASSOCIATION</b>	
AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF  HYFUSIN GROUP HOLDINGS LIMITED 凱富善集團控股有限公司  (Company)  (adopted by a Special Resolution passed on 10 June 2022)	<del>AMENDED AND RESTATED</del> <del>ARTICLES OF ASSOCIATION OF</del>  <del>HYFUSIN GROUP HOLDINGS LIMITED</del> <del>凱富善集團控股有限公司</del>  (Company)  (adopted by a Special Resolution passed on <del>10 June 2022</del> [•••] 2024)
–	<b>Article 1(b)</b> The following new definition of “Company’s website” is to be inserted immediately following the definition of “Company” in Article 1(b):  <u>Company’s website:</u> means the website of the Company to which any Shareholder may have access, the address or domain name of which has been notified to the Shareholders by the Company or as subsequently amended by notice given to the Shareholders by the Company;

<b>Before Amendments</b>	<b>Proposed Amendments</b>
<p><b>Article 175(b)</b></p> <p>Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post together with the notice of annual general meeting to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.</p>	<p><b>Article 175(b)</b></p> <p>Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent <del>by post</del> <u>in accordance with Article 180(b)</u> together with the notice of annual general meeting to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.</p>

Before Amendments	Proposed Amendments
<p><b>Article 180(b)</b></p> <p>Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.</p>	<p><b>Article 180(b)</b></p> <p>Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder; or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be <u>supplied or</u> authorised by the Shareholder concerned or by publishing it on a <del>website and notifying the Shareholder concerned that it has been so published</del> the Company's website and the website of HK Stock Exchange.</p>
<p><b>Article 181(a)</b></p> <p>Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the Shareholder is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter where available.</p>	<p><b>Article 181(a)</b></p> <p>Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of <u>(i) an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address; or (ii) an electronic address for the purpose of service of notice.</u> Where the registered address of the Shareholder is outside the Relevant Territory, notice, <u>(i) if given through the post, shall be sent by prepaid airmail letter where available or (ii) if served by electronic means, shall be sent in accordance with Article 180(b).</u></p>

Before Amendments	Proposed Amendments
<p><b>Article 181(b)</b></p> <p>Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or, if the Board sees fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he served in the manner so described which shall be sufficient service as regards Shareholders with no registered or incorrect addresses, provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the register of members of the Company.</p>	<p><b>Article 181(b)</b></p> <p>Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address, <u>or, in case of electronic communications, fails to supply his electronic address or a correct electronic address,</u> to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or, if the Board sees fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he <u>may obtain a copy of the relevant document, or by displaying or otherwise making available the relevant notice or document on the Company's website and the website of HK Stock Exchange and stating the address within the Relevant Territory at which he may obtain a copy of the notice or the document.</u> <del>served in the manner so described which</del> <u>Any notice or document served in the manner so described</u> shall be sufficient service as regards Shareholders with no registered or incorrect addresses, <u>or, in case of electronic communications, no electronic address or an incorrect electronic address,</u> provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the register of members of the Company.</p>

Before Amendments	Proposed Amendments
<p><b>Article 181(c)</b></p> <p>If on three consecutive occasions notices or other documents have been sent through the post to any Shareholder (or, in the case of joint holders of a share, the first holder named on the register) at his registered address but have been returned undelivered, such Shareholder (and, in the case of joint holders of a Share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Board may elect otherwise pursuant to paragraph (b) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address for the service of notices on him.</p>	<p><b>Article 181(c)</b></p> <p>If on three consecutive occasions notices or other documents have been sent through the post to any Shareholder (or, in the case of joint holders of a share, the first holder named on the register) at his registered address <u>or by electronic means to his electronic address</u> but have been returned undelivered, such Shareholder (and, in the case of joint holders of a Share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Board may elect otherwise pursuant to paragraph (b) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address <u>or a new electronic address</u> for the service of notices on him.</p>
<p>–</p>	<p><b>Article 181(d)</b></p> <p><u>Notwithstanding any election by a Shareholder, if the Company considers or is advised that the sending of any notice or other documents to any electronic address supplied by a Shareholder may or might infringe the law of any relevant jurisdiction, or if the Company cannot verify the location of the server at which the electronic address of the Shareholder is located, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the Shareholder concerned, place the same on the Company’s website and the website of the HK Stock Exchange, and any such placement shall be deemed effective service on the Shareholder, and the relevant notice and document shall be deemed to be served on the Shareholder on the date on which the same is first placed on the Company’s website and the website of the HK Stock Exchange.</u></p>

Before Amendments	Proposed Amendments
-	<p><b>Article 181(e)</b></p> <p><u>Notwithstanding any election by a Shareholder from time to time to receive any notice or document through electronic means, such Shareholder may, at any time, require the Company to send to him, in addition to an electronic copy thereof, a printed copy of any notice or document which he, in his capacity as Shareholder, is entitled to receive.</u></p>
<p><b>Article 182</b></p> <p>Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the Shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a website shall be deemed to have been served or delivered on the day it was so published.</p>	<p><b>Article 182</b></p> <p>Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the Shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on <del>a</del> the Company's website and the website of the HK Stock Exchange shall be deemed to have been served or delivered on the <u>first</u> day it was so published.</p>

<b>Before Amendments</b>	<b>Proposed Amendments</b>
<p><b>Article 183</b></p> <p>A notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, metal disorder, bankruptcy or winding up had not occurred.</p>	<p><b>Article 183</b></p> <p>A notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, metal disorder, bankruptcy or winding up had not occurred, <u>or by sending it using electronic means and/or other means in accordance with Article 180(b).</u></p>
<p><b>Article 185</b></p> <p>Any notice or document delivered or sent by post to, or left at the registered address of any Shareholder in pursuance of these Articles, shall notwithstanding that such Shareholder be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have duly served in respect of any registered Shares whether held solely or jointly with other persons by such Shareholder until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such Shares.</p>	<p><b>Article 185</b></p> <p>Any notice or document delivered or sent by post <u>or by electronic communications to</u>, or left at the registered address of any Shareholder, <u>or by publishing on the Company’s website and the website of HK Stock Exchange,</u> in pursuance of these Articles, shall notwithstanding that such Shareholder be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have duly served in respect of any registered Shares whether held solely or jointly with other persons by such Shareholder until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such Shares.</p>



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## NOTICE OF ANNUAL GENERAL MEETING

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### Hyfusin Group Holdings Limited 凱富善集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8512)**

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Hyfusin Group Holdings Limited (the “**Company**”) will be held at Suite 3318, 33/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Friday, 7 June 2024 at 3:00 p.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2023 and the reports of the directors and independent auditor thereon.
2. To re-elect the following retiring directors of the Company (the “**Directors**”):
  - (a) Mr. Ho Chi Wai as an independent non-executive Director; and
  - (b) Mr. Chu Kin Wang, Peleus as an independent non-executive Director.
3. To authorise the board of Directors to fix the remuneration of the respective Directors.
4. To re-appoint BDO Limited as auditor of the Company and to authorise the board of Directors to fix its remuneration for the year ending 31 December 2024.
5. To consider and, if thought fit, pass with or without modification 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 hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;



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- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power 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 options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to paragraph (i) of this resolution, otherwise than pursuant to:
  - (1) any Rights Issue (as defined hereinafter);
  
  - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for shares or rights to acquire shares;
  
  - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company; or
  
  - (4) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:
    - (a) 20% of the number of issued shares of the Company as at the date of passing this resolution; and
  
    - (b) (if the Board is so authorised by resolution numbered 5(C)) the aggregate number of shares of the Company repurchased by the Company subsequent to the passing of resolution numbered 5(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 5(B)),

and the approval shall be limited accordingly; and

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- (iv) for the purpose of this resolution:
    - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
      - (1) the conclusion of the next annual general meeting of the Company;
      - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
      - (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and
    - (b) “Rights Issue” means an offer of shares of the Company or an issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”
- (B) **“That:**
- (i) subject to paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”), be and is hereby generally and unconditionally approved;
  - (ii) the aggregate number of the shares to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
  - (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and

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(iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
  - (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
- (C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 5(A) set out in this notice be and is hereby extended by the addition to the number of the issued shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5(B) set out in this notice, provided that such extended amount shall represent up to 10% of the number of issued shares of the Company as at the date of passing of the said resolutions.”

6. “**That:**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange (as defined in the circular of the Company dated 29 April 2024 (the “**Circular**”)) granting approval for the listing of and permission to deal in the shares of the Company to be issued pursuant to the exercise of any Options (as defined in the Circular) to be granted pursuant to the New Share Option Scheme (as defined in the Circular), as defined and summarised in Appendix III to the Circular (the rules of which are contained in the document marked “A” and produced to the meeting and for the purposes of identification initialled by the chairman of the meeting), the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme, including but without limitation:

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- i. to administer the New Share Option Scheme in accordance with its terms;
  - ii. to grant the Options to the Eligible Participants (as defined in the Circular) under the New Share Option Scheme and allotting and issuing from time to time such number of new Shares (as defined in the Circular) as may be required to be issued pursuant to the exercise of the Options that may be granted under the New Share Option Scheme;
  - iii. to modify and/or amend the rules of the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the New Share Option Scheme relating to the modification and/or amendment and is in compliance with Chapter 23 of the GEM Listing Rules (as defined in the Circular);
  - iv. to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new Shares that may be allotted and issued pursuant to the exercise of the Options granted or to be granted under the New Share Option Scheme; and
  - v. 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 New Share Option Scheme;
- (b) the total number of Shares which may be issued in respect of all share options and share awards to be granted under the New Share Option Scheme and any other share schemes of the Company (“Scheme Mandate Limit”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the date of passing of this resolution or the relevant date of approval of the refreshment of the Scheme Mandate Limit; and
- (c) subject to and conditional upon the New Share Option Scheme becoming unconditional, the Existing Share Option Scheme (as defined in the Circular) be and is hereby terminated except that the provisions of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination, or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme.”

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7. “**That** subject to and conditional upon the passing of ordinary resolution 6 above, the Service Provider Sublimit (as defined in the rules of the New Share Option Scheme) on the total number of new Shares that may be issued in respect of all share options and share awards to be granted to Service Providers (as defined in the rules of the New Share Option Scheme) under the New Share Option Scheme and all other share option schemes and share award schemes of the Company (i.e. 10% of the Scheme Mandate Limit (as defined in the rules of the New Share Option Scheme) in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

### SPECIAL RESOLUTION

8. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

“**That:**

- (a) the proposed amendments to the amended and restated memorandum of association and articles of association of the Company (the “**Proposed Amendments**”), the details of which are set out in Appendix IV to the Circular be and are hereby approved;
- (b) the second amended and restated memorandum of association and articles of association of the Company (incorporating the Proposed Amendments) (the “**New Memorandum and Articles of Association**”), a copy of which has been produced to this meeting and marked “B” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing amended and restated memorandum of association and articles of association of the Company with immediate effect after the conclusion of the meeting; and

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- (c) any Director or company secretary of the Company be and is hereby authorized to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Memorandum and Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

By order of the Board  
**Hyfusin Group Holdings Limited**  
**WONG Wai Chit**  
*Chairman and Executive Director*

Hong Kong, 29 April 2024

*Registered office:*

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

*Headquarters and principal place of business in Hong Kong:*

Unit Nos. 4-8, 2/F  
Aberdeen Marina Tower  
8 Shum Wan Road  
Aberdeen  
Hong Kong

*Notes:*

- (i) Resolution numbered 5(C) will be proposed to the shareholders for approval provided that resolutions numbered 5(A) and 5(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one, if he/she holds two or more shares appoint more than one, proxy to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (iii) 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 of that power of attorney or authority must be deposited with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. before 3:00 p.m. on Wednesday, 5 June 2024) or any adjournment thereof and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.

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- (iv) The register of members of the Company will be closed from Friday, 31 May 2024 to Friday, 7 June 2024, both days inclusive, in order to determine the eligibility of shareholders to attend and vote at the Annual General Meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 30 May 2024.
- (v) With reference to ordinary resolution numbered 2 above, Mr. Ho Chi Wai and Mr. Chu Kin Wang, Peleus shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above retiring Directors are set out in Appendix I to the circular dated 29 April 2024.
- (vi) In respect of the resolutions numbered 5(A), 5(B) and 5(C) above, the Directors wish to state that they have no immediate plans to repurchase any shares or issue any new securities pursuant to the relevant mandates.
- (vii) In respect of resolution numbered 5(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate and for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the GEM Listing Rules, is set out in Appendix II to the circular dated 29 April 2024.
- (viii) With reference to ordinary resolutions numbered 6 and 7 above, a summary of the principal terms of the rules of the New Share Option Scheme is set out in Appendix III to the circular dated 29 April 2024.
- (ix) With reference to ordinary resolution numbered 8 above, details of the Proposed Amendments are set out in Appendix IV to the circular dated 29 April 2024.
- (x) Delivery of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the Annual General Meeting or any adjournment thereof, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (xi) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme condition caused by super typhoon is in effect in Hong Kong any time after 12:00 noon on the date of the Annual General Meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at ([www.hyfusingroup.com](http://www.hyfusingroup.com)) and the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.