

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

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

**If you have sold or transferred** all your shares in Shin Hwa World 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.

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**Shin Hwa World Limited**  
**神話世界有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 00582)**

**(1) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(2) PROPOSED GRANT OF GENERAL MANDATES**  
**TO REPURCHASE AND ISSUE SHARES;**  
**(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION**  
**SCHEME AND TERMINATION OF**  
**THE EXISTING SHARE OPTION SCHEME**  
**AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an AGM of the Company to be held at meeting room of SOHO 1, 6/F., IBIS Hong Kong Central & Sheung Wan, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 20 June 2023 at 2:30 p.m. is set out in Appendix IV of this circular.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

26 April 2023

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme being adopted by the ordinary resolution to be passed by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at meeting room of SOHO 1, 6/F., IBIS Hong Kong Central & Sheung Wan, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 20 June 2023 at 2:30 p.m.
“Auditor(s)”	the auditor(s) of the Company for the time being
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (excluding Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“Bye-laws”	the bye-laws of the Company adopted on 23 June 2022
“close associate(s)”	has the meaning as defined under the Listing Rules
“Company”	Shin Hwa World Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as defined under the Listing Rules
“Controlling Shareholder”	has the meaning as defined under the Listing Rules
“core connected person(s)”	has the meaning as defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any Employee Participant; any Related Entity Participant; and any Service Provider
“Employee Participant(s)”	any director (including independent non-executive Director) and employee (whether full time or part time) of the Company or the Group who at the sole discretion of the Board has contributed or will contribute to the Group

## DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution passed by the then Shareholders at the special general meeting held on 17 September 2020
“Grant Date”	the date on which a Share Option is granted to an Eligible Person, which must be a Business Day
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) any person entitled to exercise any Share Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“LIL”	Landing International Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“New Share Option Scheme”	the new shares option scheme to be adopted by the Company pursuant to the resolution 7 at the AGM
“Notice”	notice of convening the AGM, which is set out in Appendix IV to this circular
“Offer”	an offer of the grant of a Share Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Person, which must be a Business Day
“PRC”	the People’s Republic of China (which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan)
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company

## DEFINITIONS

“Related Entity Participant(s)”	any director and employee of the Related Entity
“Scheme Mandate Limit”	has the same meaning as defined in paragraph 5 of Appendix III to this circular
“Service Provider(s)”	<p>any person, being a natural person or corporate entity (as the case may be) providing services to the Group on a continuing and recurring basis in its ordinary and usual course of business of the Group, the grant of Share Options to whom is in the interests of the long-term growth of the Group as determined by the Board, namely:</p> <ul style="list-style-type: none"><li>(i) any person providing advisory services and/or consultancy services to the Group after stepping down from any employment or director position with the Group; and</li><li>(ii) any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to the Group as consultants, independent contractors or agents where the continuity and frequency of their services are akin to those of employees;</li></ul> <p>but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity</p>
“Service Provider Sublimit”	has the same meaning as defined in paragraph 5 of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	a right to subscribe for Shares pursuant to the New Share Option Scheme

## DEFINITIONS

“Share Option Period”	a period to be determined and notified by the Board to the Grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the Offer Date and expiring on the last day of such ten-year period subject to the provisions for early termination in accordance with the terms of the New Share Option Scheme
“Shareholders”	the holders of the issued Shares
”Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	subsidiary(ies) for the time being of the Company within the meaning of the Companies Ordinance, Chapter 622 of the laws of Hong Kong, whether incorporated in Hong Kong or elsewhere
“substantial shareholder(s)”	has the meaning as defined under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

*The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.*

LETTER FROM THE BOARD



**Shin Hwa World Limited**  
**神話世界有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 00582)**

*Executive Directors:*

Dr. Yang Zhihui (*Chairman*)  
*(Suspension of duties and powers)*  
Ms. Chan Mee Sze (*Acting Chairperson*)  
Dr. Wong Hoi Po  
Ms. Pu Shen Chen  
Mr. Huang Wei

*Independent Non-executive Directors:*

Mr. Li Chun Kei  
Mr. Shek Lai Him Abraham  
Mr. Du Peng

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

Units 1412-1413, 14th Floor  
China Merchants Tower  
Shun Tak Centre  
Nos. 168-200 Connaught Road Central  
Hong Kong

26 April 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF DIRECTORS;  
(2) PROPOSED GRANT OF GENERAL MANDATES  
TO REPURCHASE AND ISSUE SHARES;  
(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION  
SCHEME AND TERMINATION OF  
THE EXISTING SHARE OPTION SCHEME  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM relating to:

- (i) the re-election of Directors;

## LETTER FROM THE BOARD

- (ii) the grant to the Directors of a general mandate to repurchase fully paid-up Shares representing up to 10% of the total share capital of the Company in issue at the date of passing such resolution;
- (iii) the grant to the Directors of a general mandate to allot, issue and otherwise deal with Shares representing up to 20% of the total share capital of the Company in issue at the date of passing such resolution;
- (iv) the grant to the Directors of a general authority to allot, issue and otherwise deal with Shares of the total Shares repurchased under the general mandate; and
- (v) the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.

### RE-ELECTION OF DIRECTORS

In accordance with Bye-law 84(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Accordingly, Dr. Yang Zhihui (“**Dr. Yang**”), Ms. Chan Mee Sze (“**Ms. Chan**”) and Mr. Shek Lai Him Abraham (“**Mr. Shek**”) shall retire from office by rotation and, being eligible to offer themselves for re-election at the AGM. The Company has sought confirmation by each of the retiring Directors as to their willingness to stand for re-election at the AGM and to allocate sufficient time in the business and affairs of the Company. Save for Dr. Yang, all of the retiring Directors have agreed to offer themselves for re-election at the AGM. As such, ordinary resolutions will be proposed to re-elect Ms. Chan as executive Director and Mr. Shek as independent non-executive Director at the AGM, and Dr. Yang shall retire from office by rotation upon conclusion of the AGM in accordance with the Bye-laws.

Currently, Mr. Shek is holding directorships in more than seven listed companies including the directorship as an Independent Non-executive Director of the Company as disclosed in the biographical information set out in Appendix I to this circular. Mr. Shek has attended all the Board meetings and Board committees meetings during the year ended 31 December 2022 and has remained responsible in performance of his functions and discharge of his duties to the Company through active participation and discussion, bringing balance of views as well as knowledge, experience and expertise. Besides, Mr. Shek has confirmed that he would continue to devote sufficient time and attention to the affairs of the Company. With his background and experience as set out in the biographical information, Mr. Shek is fully aware of the responsibilities and expected time involvements in the Company. In addition, having considered that Mr. Shek has possessed experienced administrative supports to assist him in performing director’s duties and responsibilities, and the Board has adopted various electronic means to facilitate all the board members to participate in the affairs of the Group in an efficient and effective manner and also to enhance the communications among the Board members, the Board is of the opinion that Mr. Shek can devote sufficient time to the Board despite his directorship in seven or more listed companies.



## LETTER FROM THE BOARD

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Nomination Policy and the Company's corporate strategy, and the independence of all Independent Non-executive Directors. The Nomination Committee has recommended to the Board on the re-election of Directors. Based on the foregoing, the Board considered that (i) Mr. Shek would be able to devote sufficient time to the Board and Mr. Shek's directorship outside the Company would not affect him in maintaining his current role in, and his functions and responsibilities for, the Company; (ii) Mr. Shek is independent in accordance with the independence guidelines set out in the Listing Rules; and (iii) Ms. Chan and Mr. Shek would continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. On this basis, having carefully assessed the character, experience, integrity and competence of the retiring Directors, the Board has recommended the Shareholders to vote for the relevant ordinary resolutions on the re-election of Ms. Chan and Mr. Shek as Director at the AGM.

In accordance with Bye-law 85 of the Bye-laws, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office or head office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the despatch of this circular, the Company will issue a supplementary circular to inform the Shareholders of the details of the additional candidate proposed.

Biographical details of the Directors who offer themselves for re-election at the AGM are set out in Appendix I to this circular.

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

The previous general mandate granted to the Directors at the annual general meeting of the Company held on 23 June 2022 to exercise the powers of the Company to repurchase Shares will expire at the conclusion of the AGM.

At the AGM, resolution 4 as set out in the Notice will be proposed as an ordinary resolution pursuant to which the Directors will be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase issued Shares subject to the criteria set out in such resolution. The authority relates only to the repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. The general mandate covers the repurchases made or agreed to be made only during the period ending on the date of the next annual general meeting of the Company

## LETTER FROM THE BOARD

following the AGM, or fifteen months from the date of the AGM or any shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held, or until the authority given under such resolution is renewed, revoked, or varied by ordinary resolution of the Shareholders in general meeting, whichever first occurs.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against such resolution to approve the granting of a mandate to exercise the powers of the Company to repurchase its own Shares is set out in Appendix II to this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 23 June 2022, an ordinary resolution was passed to grant a general mandate to allow the Directors to allot, issue or otherwise deal with up to 845,250,462 shares of the Company with par value of HK\$0.01 each (the “**Existing Mandate**”).

There had not been any refreshment of the general mandate since the annual general meeting of the Company held on 23 June 2022 and up to the Latest Practicable Date. As at the Latest Practicable Date, the Existing Mandate had not been utilised.

Resolution 5 as set out in the Notice will be proposed as an ordinary resolution to renew a general and unconditional mandate to authorise the Directors to allot, issue and deal with new Shares representing up to 20% of the total issued Shares at the date such resolution is passed. As at the Latest Practicable Date, there were in issue an aggregate of 4,226,252,310 Shares. On the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 845,250,462 new Shares if resolution 5 is passed. In addition, if resolutions 4 and 5 are passed, authorising the Company to repurchase and the Directors to allot, issue and deal with Shares, resolution 6 extends the general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the additional Shares pursuant to resolution 5 by the addition to the total share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the total share capital of the Company which may be repurchased by the Company pursuant to resolution 4, provided that such extended amount shall not exceed 10% of the total issued Shares as at the date of passing such resolutions.

The authority of the Directors to allot and issue Shares pursuant to resolutions 5 and 6 shall expire on the earlier of the conclusion of the next annual general meeting of the Company, fifteen months after the date of the AGM or any shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held, or the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting. The Directors confirm that there are no pre-emption rights attached to the Shares and that they have no present intention of allotting, issuing and dealing with Shares pursuant to the authority that would be vested in them pursuant to resolutions 5 and 6 set out in the Notice.

## LETTER FROM THE BOARD

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

The Existing Share Option Scheme was adopted by the Company at its special general meeting held on 17 September 2020. The Existing Share Option Scheme is valid and effective for a period of 10 years from the date of adoption. As Chapter 17 of the Listing Rules has been amended with effect from 1 January 2023, the Company proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme to replace the Existing Share Option Scheme. The provisions of the New Share Option Scheme will comply with the requirements of amended Chapter 17 of the Listing Rules.

As no options had been granted under the Existing Share Option Scheme since its adoption, the termination of the Existing Share Option Scheme will therefore not in any event affect the rights to subscribe the Shares under the Existing Share Option Scheme.

As at the Latest Practicable Date, no share options were granted under the Existing Share Option Scheme which remained outstanding and unexercised and the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares as at the Latest Practicable Date. The Board has no intention of granting any options under the Existing Share Option Scheme during the period from the Latest Practicable Date to the date of the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,226,252,310 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 422,625,231 Shares, representing 10% of the total issued Shares as at the Adoption Date.

Save for the Existing Share Option Scheme, the Company had no other subsisting share schemes as at the Latest Practicable Date. None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

At the AGM, ordinary resolutions 7(A) and 7(B) will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; and the adoption of the Service Provider Sublimit. As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

## LETTER FROM THE BOARD

### **Conditions precedent of the New Share Option Scheme**

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

- (i) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Share Options under the New Share Option Scheme; and (3) authorise the Board to allot and issue Shares pursuant to the exercise of any Share Options to be granted pursuant to the New Share Option Scheme; and
- (ii) the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all Share Options to be granted in accordance with the terms and conditions of the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

### **Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of the Group. Not merely for rewarding the contribution made, the New Share Option Scheme is to recognise the contribution or potential contribution of the Eligible Persons for their contribution to the Group by granting Share Options to them as incentives or rewards and also to attract, retain and motivate high-calibre Eligible Persons in line with the performance goals of the Group and the Related Entities. The New Share Option Scheme shall strengthen the long-term relationship that the Eligible Persons may have with the Group and the Eligible Persons will share the same interests and objectives with the Group upon their exercise of the Share Options. This is beneficial to the long-term development of the Group. As such, it is in the interests of the Group as a whole that more categories of people be eligible for the New Share Option Scheme so as to give incentives to them to contribute to the Group's growth and development.

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

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

#### ***(a) Eligible Persons***

In assessing the eligibility of Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard.

## LETTER FROM THE BOARD

In assessing the eligibility of Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

Service Providers who are eligible under the New Share Option Scheme shall include any person, being a natural person or corporate entity (as the case may be) providing services to the Group on a continuing and recurring basis in its ordinary and usual course of business of the Group, the grant of Share Options to whom is in the interests of the long-term growth of the Group as determined by the Board, namely:

- (i) any person providing advisory services and/or consultancy services to the Group after stepping down from any employment or director position with the Group; and
- (ii) any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to the Group as consultants, independent contractors or agents where the continuity and frequency of their services are akin to those of employees;

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

On the basis of the above, in assessing the eligibility of Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the New Share Option Scheme and the reasons for engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Share Options to the Service Providers and Related Entity Participants in recognition of their contribution to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business

## LETTER FROM THE BOARD

development of the Group, and that the grant of Share Options to these non-employee participants will align their interests with the Group's, incentivise them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. Particularly, the Board (including the independent non-executive Directors) is of the view that:

- (i) The Company and the Related Entity Participants have always had a close working relationship. Although the Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable assets to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business developments relating to, ancillary to or having connections with the Group's businesses. As such, certain Related Entity Participants may have joint involvement in projects or business developments with the Group from time to time. Hence, the Company considers that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Share Option Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the purpose of the New Share Option Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of Share Options in order to strengthen their loyalty with the Group even though they are not employee of the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting Share Options to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Share Options to those employees in recognition of such contribution to the Company.
- (ii) The Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in property development, integrated resort development, operation of hotels and restaurants, gaming business, leisure, entertainment and related facilities and investment holding, or on areas that are desirable and necessary from a commercial perspective may enhance the competitiveness of the Group (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their expertise. Such independent contractor, consultants, advisors and individuals may not be able to serve as full-time or part-time employees, directors or officers of the Group for their own reasons. For example, these Service Providers prefer to be employed on self-employed basis or work on project-based engagement for the purpose of personal time management or financial planning. The Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as

## LETTER FROM THE BOARD

service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are individuals who have worked for the Group where the continuity and frequency of their services are akin to those of employees, the Group values their expertise, familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group. Hence, the Board is of the view that apart from the contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from such kind of independent contractor, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Share Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised.

As mentioned above, the Board will take into account of numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Persons. As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to vesting conditions) on Share Options to be granted to these Eligible Persons, which allows the Board having great flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for these non-employee Eligible Persons' contribution or potential contribution.

It has always been the intention of the Company to include employee, director, officer or consultant of a Related Entity and any other group or classes of participants which the Directors consider to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the Group as these classes of person were all eligible under the Existing Share Option Scheme. The Company has always opted a flexible approach when it comes to devising its own talent recruitment and retention strategies.

Having their contribution recognised and their interests aligned with the Group's, the Related Entity Participants and Service Providers will be better motivated to support the development of the Group in a sustainable manner.

### ***(b) Scheme Mandate Limit and Service Provider Sublimit***

As at the Latest Practicable Date, there were 4,226,252,310 Shares in issue. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the AGM and after the resolutions regarding the proposed adoption of the New Share Option Scheme to be passed at the AGM, (i) the total number of Shares which may be issued in respect of all options under the New Share Option Scheme and other share schemes of the Company would be no more than 422,625,231 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the total number of Shares that may be issued under the New Share Option Scheme and other share schemes of the Company to the Service Providers would be no more than 42,262,523 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date.



## LETTER FROM THE BOARD

The Service Provider Sublimit of the New Share Option Scheme will be 42,262,523 Shares, being 1% of the total number of issued Shares on the Adoption Date. The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers, and (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 contribution to the Group's revenue or profits which is attributable to the Service Providers, (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, (vi) and the fact that the Company expects that a majority of Options will be granted to 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. In view of the above, the Directors have made reference to an individual limit of 1% as specified in paragraph 9(b) of Appendix III to this circular and considered that a sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders.

Having considered that (i) there are no other share schemes involving grant of options over new Shares other than the New Share Option Scheme after the termination of Existing Share Option Scheme, (ii) the Group's hiring practice and organisational structures and (iii) the Service Providers have contributed to the long-term growth of the Group's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to reward the Service Providers (other than by way of cash consideration) to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

### *(c) Vesting Period*

The vesting period for Share Options shall not be less than twelve (12) months. However, to ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not be feasible or would not be fair to the holders of the Share Options, such as those set out in the paragraph headed "7. Vesting of Share Options" in the Appendix III to this circular; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions 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 Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in the paragraph headed "7. Vesting of Share Options" in the Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.



## LETTER FROM THE BOARD

### *(d) Basis of determining the exercise price of Share Options*

Grantees to whom Share Options shall be granted, are entitled to subscribe for the number of Shares at the exercise price as determined on the Offer Date. The basis for determining the exercise price is also specified precisely in the rules of the New Share Option Scheme, which is summarised under paragraph headed “4. Exercise Price of Share Options” in the Appendix III to this circular. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Persons to acquire proprietary interests in the Company.

### *(e) Performance target and clawback mechanism*

The Board may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Share Options may be vested in the Offer Letter. Such performance targets may include financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees.

In addition, all Share Options granted which are unvested shall automatically lapse under certain circumstances specified in the New Share Option Scheme, such as the Grantee and/or Selected Participant having been convicted of any criminal offence involving his/her integrity or honesty, or having done something which brings the Group into disrepute or cause damages to the Group (including, among others, causing material misstatement of the financial statements of the Company). For details of the circumstances in which Share Options which are unvested shall lapse, please refer to the paragraph headed “13. Rights on cessation of employment or retirement” in the Appendix III to this circular. The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Share Options under particular circumstances of each grant and facilitate the Board’s objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

## ANNUAL GENERAL MEETING

The Notice is set out in Appendix IV to this circular. A copy of the audited annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”) has been dispatched to the Shareholders on 26 April 2023. Resolutions in respect of, among other things, the adoption of the 2022 Annual Report, the re-election of Directors, the re-appointment of the auditor of the Company, the grant of the general mandate to repurchase Shares, the grant of general mandate to allot, issue and deal with Shares and the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme will be proposed at the AGM.

Pursuant to Bye-law 66 of the Bye-laws and Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) and (5A) of the Listing Rules.

## LETTER FROM THE BOARD

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 15 June 2023 (Hong Kong time) to Tuesday, 20 June 2023 (Hong Kong time), both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 June 2023 (Hong Kong time), being the last share registration date.

A form of proxy is enclosed with this circular for use at the AGM and 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.shw.com.hk](http://www.shw.com.hk)). Whether or not you choose to attend the AGM in person, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

### RECOMMENDATION

The Board considers that the resolutions set out in the Notice in respect of, among other things, the adoption of the 2022 Annual Report, the re-election of Directors, the re-appointment of the auditor of the Company, the grant of the general mandate to repurchase Shares, the grant of general mandate to allot, issue and deal with Shares and the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme are each in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all such resolutions to be proposed at the AGM.

### RESPONSIBILITY STATEMENT

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

Yours faithfully,  
By Order of the Board of  
**Shin Hwa World Limited**  
**Chan Mee Sze**

*Acting Chairperson and Executive Director*

*The details of the Directors proposed to be re-elected at the AGM are set out as follows:*

**Ms. Chan Mee Sze (“Ms. Chan”)**, aged 48, has been an executive director of the Company since 1 September 2018 and the Acting Chairperson of the Board since 18 November 2022. She holds several directorships in certain subsidiaries of the Company as well. Ms. Chan obtained a Bachelor’s degree in Laws from the University of London and a Master’s degree in Business Administration from the University of Dundee, United Kingdom. Ms. Chan has been admitted to practice as a solicitor in England and Wales. She is also a chartered secretary, a chartered governance professional and a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chan has extensive experience in corporate administration and corporate finance and she has approximately 12 years of experience as director of listed companies in Hong Kong.

Ms. Chan did not hold any directorships in listed public companies in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management of the Company or substantial or Controlling Shareholders.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Chan does not have any long or short positions in the Company pursuant to part XV of SFO.

There is no service contract between the Company and Ms. Chan and she is appointed for a term of one year commencing from 1 September 2018, which is automatically renewable for successive terms of one year upon the expiry of the relevant term. She is subject to retirement by rotation at least once every three years and in accordance with the Bye-laws. Ms. Chan is entitled to an annual remuneration of HK\$1,500,000, which is determined with reference to the prevailing market rate and her duties and responsibilities in the Company. Ms. Chan’s remuneration is subject to review by the Board and the remuneration committee of the Company from time to time.

Ms. Chan is not aware of any other matters that need to be brought to the attention of the Shareholders. As advised by Ms. Chan, there is no information to be disclosed pursuant to paragraph of Rule 13.51(2) of the Listing Rules

**Mr. Shek Lai Him Abraham (“Mr. Shek”)**, aged 77, has been an independent non-executive Director of the Company since 14 August 2020. Mr. Shek graduated from the University of Sydney and holds a Bachelor of Arts Degree and a Diploma in Education. He was appointed as a Justice of the Peace in 1995 and was awarded the Silver Bauhinia Star and the Gold Bauhinia Star by the government of the Hong Kong Special Administrative Region (the “**HKSAR**”) in 2007 and 2013 respectively. Mr. Shek was a member of the HKSAR Legislative Council representing the Real Estate and Construction Functional Constituency from 2000 to 2021. He is a member of the Court and Council of The University of Hong Kong, a honorary member of Court of The Hong Kong University of Science & Technology and a court member of City University of Hong Kong.

Currently, Mr. Shek is the Chairman and an executive director of Goldin Financial Holdings Limited (stock code: 530) (“**Goldin**”), a listed public company in Hong Kong. He is also an independent non-executive director of China Resources Cement Holdings Limited (stock code: 1313), Chuang’s China Investments Limited (stock code: 298), Chuang’s Consortium International Limited (stock code: 367), Cosmopolitan International Holdings Limited (stock code: 120), Country Garden Holdings Company Limited (stock code: 2007), CSI Properties Limited (stock code: 497), Everbright

Grand China Assets Limited (stock code: 3699), Far East Consortium International Limited (stock code: 35), Hao Tian International Construction Investment Group Limited (stock code: 1341), International Alliance Financial Leasing Co., Ltd (stock code: 1563), ITC Properties Group Limited (stock code: 199), Lai Fung Holdings Limited (stock code: 1125), Lifestyle International Holdings Limited ( shares of which were listed on the main board of the Stock Exchange, stock code:1212), NWS Holdings Limited (stock code: 659) and Paliburg Holdings Limited (stock code: 617), all being listed public companies in Hong Kong. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust (stock code: 2778)) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust (stock code: 1881)), both trusts are listed on the Stock Exchange.

During the last three years, Mr. Shek was an independent non-executive director of Goldin Financial Holdings Limited (stock code: 530), Hop Hing Group Holdings Limited (stock code: 47), and SJM Holdings Limited (stock code: 880), all being listed public companies in Hong Kong.

Save as disclosed above, Mr. Shek did not hold any directorships in listed public companies in Hong Kong or overseas in the last three years and does not have any relationship with any Directors, senior management of the Company or substantial or Controlling Shareholders.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Shek does not have any long or short positions in the Company pursuant to part XV of SFO.

There is no service contract between the Company and Mr. Shek and he is appointed for a term of one year commencing from 14 August 2020, which is automatically renewable for successive terms of one year upon the expiry of the relevant term. He is subject to retirement by rotation at least once every three years and in accordance with the Bye-laws. The annual remuneration for his service with the Group shall be HK\$300,000 per annum, which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company. Mr. Shek's annual remuneration is subject to review by the Board and the remuneration committee of the Company from time to time.

As disclosed above, Mr. Shek is an executive director and the Chairman of Goldin, a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. As disclosed in the announcements published by Goldin on 15 July 2020, 11 October 2020, 16 October 2020, 1 November 2020, 25 November 2020, 8 December 2020, 10 January 2021, 15 February 2021, 21 March 2021, 20 April 2021, 2 May 2021, 9 May 2021, 27 May 2021, 14 June 2021, 3 September 2021, 19 September 2021, 4 October 2021, 8 November 2021, 13 January 2022, 31 March 2022, 30 May 2022, 6 June 2022, 12 July 2022, 31 August 2022, 6 October 2022, 16 November 2022, 25 November 2022, 13 December 2022, 30 December 2022, 31 January 2023, 9 March 2023 and 31 March 2023 (collectively, the "**Goldin Announcements**"), a petition dated 7 August 2020 was presented by DB Trustees (Hong Kong) Limited to the Supreme Court of Bermuda for the winding-up of Goldin (the "**Petition**"). As at the Latest Practicable Date, no order has been made in relation to the winding-up of Goldin. The Petition does not and will not have any impact on the business and operations of the Group. Details of the Petition are set out in the Goldin Announcements.

Save as disclosed herein, Mr. Shek is not aware of any other matters that need to be brought to the attention of the Shareholders. As advised by Mr. Shek, there is no information to be disclosed pursuant to paragraph of Rule 13.51(2) of the Listing Rules.

*This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the repurchase mandates.*

### **1. SHARE CAPITAL AND MAXIMUM NUMBER OF SHARES THAT MAY BE REPURCHASED**

The maximum number of Shares that may be repurchased pursuant to the mandate will be such number of Shares as represents 10% of the share capital of the Company in issue on the date of the AGM. As at the Latest Practicable Date, there were in issue an aggregate of 4,226,252,310 Shares. Subject to the passing of the relevant resolution approving the mandate to repurchase Shares and on the basis that no Shares are issued or repurchased prior to the AGM, the Company would be permitted under the repurchase mandate to repurchase a maximum of 422,625,231 Shares. The mandate relates only to repurchases of Shares which are fully paid up.

### **2. REASONS FOR REPURCHASES**

While it is not possible to anticipate any specific circumstances in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an authority to do so would give the Company additional flexibility that would be beneficial. The Directors have no current intention to repurchase any Shares.

In reaching a decision as to whether to make any such repurchase, the Directors will take account of market conditions and the Company's funding arrangements at the time and whether or not such repurchase would lead to an enhancement of the net asset value per Share and/or its earnings per Share. Shareholders can be assured that the Directors would only make a repurchase in circumstances where they consider it to be in the best interests of the Company and in circumstances where they consider that Shares can be repurchased on favourable terms after obtaining all necessary consents which may be required under loan or finance documentation.

The Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the 2022 Annual Report) which, in the opinion of the Directors, are from time to time appropriate for the Company.

### **3. FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda and Hong Kong. Any repurchases by the Company may be made out of the capital paid up on Shares to be repurchased, funds of the Company which would otherwise be available for dividend or distribution or out of any issue of new Shares made for the purpose of the repurchase and, in case of any premium payable on the repurchase out of the funds of the Company which would otherwise be available for dividend or distribution from sums standing to the credit of the share premium account of the Company. Such repurchase may only be made on the effective date of purchase, there are no reasonable grounds for believing that the Company is, and after the purchase would be, unable to pay its debts as they fall due.

#### 4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the proposed resolution and in accordance with the Listing Rules, all applicable laws of Hong Kong and the Companies Act 1981 of Bermuda.

#### 5. DIRECTORS AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates (has the meaning ascribed thereto under the Listing Rule) of any of the Directors, have any present intention, in the event that the grant to the Directors of the repurchase mandate is approved by the Shareholders, of selling Shares to the Company.

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates (has the meaning ascribed thereto under the Listing Rule) and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

No core connected person (has the meaning ascribed thereto under the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

#### 6. HONG KONG TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory general offer for the securities of the Company under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, LIL was beneficially interested in 35.06% of the Company's issued Shares. If the power under the repurchase mandate is exercised in full, and assuming that no other Shares are issued or repurchased prior to the AGM, the interest of LIL would be increased to 38.95% of the issued Shares, and such increase would give rise to an obligation on the part of LIL to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the repurchase mandate to an extent that will result in a public shareholding of less than the minimum public float requirement or trigger the obligations under the Takeovers Code to make a mandatory offer.

## 7. SHARE PRICES AND SHARE REPURCHASE RECORDS

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest prices at which the Shares have traded on the Stock Exchange were as follows:

	Traded market price	
	Highest (HK\$)	Lowest (HK\$)
<b>2022</b>		
April	0.255	0.218
May	0.246	0.210
June	0.225	0.192
July	0.221	0.182
August	0.209	0.165
September	0.189	0.160
October	0.186	0.128
November	0.167	0.112
December	0.330	0.156
<b>2023</b>		
January	0.300	0.202
February	0.224	0.178
March	0.199	0.133
April (up to the Latest Practicable Date)	0.165	0.130

During each of the six months preceding the Latest Practicable Date, no Shares were repurchased by the Company.



The following is a summary of the principal terms of the rules of the New Share Option Scheme. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix III.

### **1. Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group.

### **2. Administration of the New Share Option Scheme**

The New Share Option Scheme shall be subject to the administration of the Board (or if the Board so resolves by a committee of the Board) whose decision (save as otherwise provided in the New Share Option Scheme) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the Auditors or the independent financial adviser of the Company if and as required by the New Share Option Scheme.

### **3. Who may join**

Subject to the provisions in the New Share Option Scheme, the Board shall be entitled at any time within the period of ten (10) years after the Adoption Date to make an Offer to any Eligible Person as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the exercise price. In particular, the eligibility of each of the Eligible Persons shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (a) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, individual contribution or potential contribution to the development and growth of the Group, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- (b) with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group; and
- (c) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance



of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the New Share Option Scheme and the objectives in engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

#### **4. Exercise price of Shares**

The exercise price of any particular Share Option granted under the New Share Option Scheme shall be a price determined by the Board and notified to an Eligible Person, and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date. Where a Share Option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such Share Option.

#### **5. Maximum number of Shares**

The total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company (the "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 Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit. Within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the New Share Option Scheme and any other schemes of the Company (the "Service Provider Sublimit") must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit, which shall not be valid unless:

- (a) the Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
- (b) a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, amongst others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable).

For the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.

The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date), provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) and the Service Provider Sublimit so refreshed shall not exceed 1%, respectively, of the total number of issued Shares as at the date of such Shareholders' approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit;
- (b) for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit, options or awards lapsed will not be regarded as utilised and options or awards cancelled will be regarded as utilised; and
- (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.

Further to the requirements set out above, any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:

- (a) any Controlling Shareholder and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- (c) the requirements under sub-paragraphs (a) and (b) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of the Shares, rounded to the nearest whole Share.

The Company may seek separate approval from the Shareholders in general meeting for granting options or awards which will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded, provided that:

- (a) the grant is only to Eligible Persons specifically identified by the Company before the approval is sought; and

- (b) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.

If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company pursuant to the New Share Option Scheme and all other share schemes of the Company under the unutilised 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.

## **6. Grant of Share Options**

- (a) An Offer shall be made to an Eligible Person in writing in such form as the Board may from time to time determine requiring the Eligible Person to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Person to whom an Offer is made for a period as specified in the letter of Offer, by which the Eligible Person must accept the Offer or be deemed to have declined it, provided that no such Offer shall be opened for acceptance after the Share Option Period or after the New Share Option Scheme has been terminated in accordance with the provisions of the New Share Option Scheme or after the Eligible Person to whom the Offer is made has ceased to be an Eligible Person.
- (b) The Board may at its absolute discretion specify such conditions as it thinks fit when making an Offer to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its subsidiaries before a Share Option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme or the relevant requirements under applicable laws or the Listing Rules.
- (c) The Board shall not grant any Share Option under the New Share Option Scheme after inside information has come to the Company's knowledge until (and including) the trading day on which it has announced the information. In particular, no Offer shall be made to any Eligible Person (a) during the period commencing one month immediately preceding the earlier of (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Share Option shall be granted; or (b) who is subject to the Model Code during the periods or times in which such Eligible Person is prohibited from dealing in the Shares pursuant to the Model Code.

- (d) An Offer shall be deemed to have been accepted and the Share Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the Company receives the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, no option price will be payable upon the acceptance of the Offer. Any Offer may be accepted in respect of all or less than the number of Shares in respect of which it is 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. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined and upon which, the subject Share Options with respect to the declined Offer will be lapsed and will not be utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

### **7. Vesting of Share Options**

The Share Options to be granted under the New Share Option Scheme shall be subject to a minimum vesting period of 12 months during which unvested Share Options shall not become vested and exercisable. Any shorter vesting period in respect of Share Options granted to Employees Participants must be approved by the Board and/or the remuneration committee of the Company (for Share Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The specific circumstances giving rise to a shorter vesting period are as follows:

- (a) grants of "make whole" Share Options to new Employee Participants to replace share awards or share options such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
- (c) grants of Share Options which are subject to the fulfilment of performance targets pursuant to paragraph 4.2.8 of the Scheme;
- (d) grants of Share Options that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participant, which include Share Options that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting date may be adjusted to take account of the time from which the Share Options would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Employee Participants in case of delays due to administrative or compliance requirements. In the event of any administrative or compliance requirements which give rise to a shorter vesting period of the Share Options granted to any Employee Participant, the Company will make further announcement as and when appropriate;

- (e) grants of Share Options with a mixed vesting schedule such that the Share Options vest evenly over a period of 12 months;
- (f) grants of Share Options with a total vesting and holding period of more than 12 months; or
- (g) the remuneration committee of the Company is of the view that a shorter vesting period is appropriate and serves the purpose of the Scheme.

#### 8. Performance Targets

The Offer shall specify the performance target(s), if any, that must be duly fulfilled by the Grantee(s) before any of the Share Options may be vested in such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all applicable laws, rules and regulations determine such performance targets for vesting of Share Options in its sole and absolute discretion, such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional department, projects and/or geographical area managed by the Grantees. For the avoidance of doubt, a Share Option shall not be subject to any performance targets, criteria or conditions if none is set out in the relevant Offer.

#### 9. Maximum entitlements to each Eligible Person and Share Options granted to certain connected persons

- (a) Sub- paragraphs (a), (b) and (c) under this paragraph 9 are subject to any waiver or ruling granted by the Stock Exchange, and may be amended by the Board to reflect any amendments made by the Stock Exchange after the Adoption Date to the relevant provisions of the Listing Rules, which paragraphs have been drafted to reflect as at the Adoption Date. Share Options that have already lapsed in accordance with the New Share Option Scheme shall not be counted. For the purpose of sub-paragraphs (a), (b) and (c) under this paragraph 9, “**Relevant Shares**” means Shares issued and to be issued in respect of all options and award shares granted (excluding any options or award shares lapsed) under all share schemes of the Company to the relevant Grantee in the 12-month period (or such other time period as may be specified by the Hong Kong Stock Exchange from time to time) up to and including the Offer Date of the relevant Share Option referred hereto.
- (b) No Share Option shall be granted to any Eligible Person (“**Relevant Eligible Person**”), if it would result in the number of Relevant Shares exceeding 1% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant, unless (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his/her close associates (or his/her associates if the Relevant Eligible Person is a connected person) shall abstain from voting; (2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and (3) the number and terms of such Share Option are fixed before the general meeting of the Company at which the same are approved.

- (c) The grant of Share Options to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) requires the approval of the independent non-executive Directors (excluding any independent non-executive Director who is a prospective Grantee of the Share Option). Where a Share Option is to be granted to a substantial shareholder or an independent non-executive Director (or any of their respective associates), and the grant will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of grant and such grant shall not be valid unless (1) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the information as required under the Listing Rules (including in particular a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Share Option) to the independent Shareholders as to voting); and (2) the grant has been approved by the Shareholders in general meeting (taken on a poll) in accordance with the relevant provisions of the Listing Rules, in particular, the relevant Grantee, his/her associates and all core connected persons shall abstain from voting (except that a connected person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.
- (d) Independent Shareholders' approval and the circular described in paragraph 9(c) above are also required for any change in the terms of Share Options granted to a Grantee who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates.

## **10. Exercise of Share Option**

A Share Option may be exercised in whole or in part by the Grantee (or his/her personal representatives) before the expiry of the Share Option Period by delivering to the Company a notice in writing in a form approved by the Board stating that the Share Option is to be exercised and the number of Shares in respect of which it is exercised.

## **11. Rights are personal to Grantee**

A Share Option shall be personal to the Grantee. Unless a waiver is granted by the Stock Exchange or otherwise permitted or required under the applicable laws and regulations, a Share Option shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Share Option.

**12. Rights on cessation of employment by death**

Where the Grantee of an outstanding Share Option dies before exercising the Share Option in full or at all, the Share Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to a general offer, scheme of arrangement, scheme for the reconstruction or amalgamation or voluntary winding up of the Company by his/her personal representatives within 12 months of the date of death.

**13. Rights on cessation of employment or retirement**

Where the holder of an outstanding Share Option ceases to be an Eligible Person for any reason other than (i) death, (ii) re-employed after retirement or has changed in position but still be an Eligible Person before exercising the Share Option in full or at all or (iii) by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Person, the Share Option shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Share Option shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Company, any subsidiary or any Related Entity, his/her last actual working day at his/her work place with the Company, any subsidiary or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Company, any subsidiary or any Related Entity the date on which the relationship with the Group which has constituted him an Eligible Person ceases.

Where the Grantee of an outstanding Share Option is re-employed after retirement or has changed in position(s) but still be an Eligible Person before exercising the Share Option in full or at all, the Share Option may continue to be exercised by the Grantee.

Where the Grantee of an outstanding Share Option ceases to be an Eligible Person by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Person (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his/her creditors generally or on which he has been convicted of any criminal offence involving his/her integrity or honesty, the Share Option shall lapse on the date of his/her dismissal.

**14. Cancellation of Share Option**

The Board at its sole discretion may cancel a Share Option granted but not exercised with the approval of the grantee of such Share Option in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Persons and the Company are subject to, or in order to comply with the requirements of any securities exchange. Share Options may be granted to an Eligible Person in place of his/her cancelled Share Options provided that there are available Scheme Mandate Limit and the Service Provider Sublimit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.



**15. Alteration of capital structure**

In the event of any alteration in the capital structure of the Company by way of capitalization issue, rights issue, Subdivision or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction while any Share Option remains exercisable), such corresponding alterations (if any) will be made in (i) the numbers of the Shares subject to any outstanding Share Options and/or (ii) the exercise price per Share as the independent financial adviser of the Company for the time being or the Auditors shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the Grantee shall have the same proportion of the total number of Shares in issue, rounded to the nearest whole Share, to which he was entitled before such alteration and the aggregate exercise price payable by the relevant holder of the Share Options on the full exercise of any Share Options shall remain as nearly as possible the same as (but not greater than) it was before such event. Save in the case of a capitalization issue, an independent financial adviser of the Company for the time being or the Auditors must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and/or such other requirement prescribed under the Listing Rules from time to time.

**16. Rights on a general offer**

If a general offer by way of take-over is made to all the Shareholders (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) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his/her personal representatives) may, exercise the Share Option to its full extent or to the extent specified in such notice.

**17. Rights on scheme of arrangement**

If a general offer, by way of a scheme of arrangement, is made to all the Shareholders and the New Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his/her personal representatives) may, by delivering a notice in writing to the Company within seven days of such shareholders' approval, exercise the Share Option to its full extent or to the extent specified in such notice.

**18. Rights on voluntary winding up**

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions) and thereupon, each Grantee (or his/her legal personal representatives) shall be entitled to exercise all or any of his/her Share Options at any time not later than seven days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.



**19. Rights on reconstruction or amalgamation**

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 17 above between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee (or his/her personal representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his/her Share Options, 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 meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Share Options. In the event that the Grantees do not exercise all or any of his/her Share Options before the specified timing, and provided that the then market price of the Share Option is higher than the exercise price of the Share Option, the Board may at its sole discretion, sell the Share Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Share Option is lower than the exercise price of the Share Option or the Board at its sole discretion decides not to sell the Share Option on the market, the Share Option will automatically lapse.

**20. Period of the New Share Option Scheme**

Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period to be determined and notified by the Board to the Grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the date on which the Offer in relation to such Share Option is deemed to have been accepted in accordance with the terms of the New Share Option Scheme and expiring on the last day of the ten-year-period.

**21. Termination of the New Share Option Scheme**

The New Share Option Scheme shall be terminated on the earlier of:

- (a) the tenth (10) anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Grantee hereunder, following which no further grant of Share Options shall be offered but in all other respects the New Share Option Scheme shall continue in full force and effect to the extent necessary to give effect to the exercise of any Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Any Share Options granted prior to such termination, including Share Options exercised or outstanding under the New Share Option Scheme, shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**22. Ranking of Shares**

The Shares to be issued and allotted upon the exercise of a Share Option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the Shares in issue as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. A Share allotted and issued upon the exercise of a Share Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as a holder thereof.

**23. Alterations to the New Share Option Scheme**

The Directors may from time to time at their absolute discretion alter the definition of "Eligible Persons", "Grantee" and "Share Option Period" and the provisions in paragraphs 1, 3, 4, 5, 6(d), 7 to 23 of this appendix which are of a material nature or provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees provided that approval from the Shareholders in general meeting (with Grantees and their associates abstaining from voting) has been obtained. Save for the above, the Board or a committee of the Board may alter the terms of the New Share Option Scheme without the approval of the Shareholders in a general meeting. No such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.

Any change to the authority of the Board to alter the terms of the New Share Option Scheme shall not be valid unless approved by the Shareholders in general meeting.

Any change to the terms of Share Options granted to a Grantee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Share Options requires such approval (except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme).

The amended terms of the New Share Option Scheme or the Share Options must comply with Chapter 17 of the Listing Rules.

**24. Conditions of the New Share Option Scheme**

The New Share Option Scheme is conditional upon the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Share Options under the New Share Option Scheme; (3) authorise the Board to allot and issue Shares in respect of any Share Options to be granted pursuant to the New Share Option Scheme; and (4) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares on the Stock Exchange which may be issued by the Company in respect of all Share Options to be granted in accordance with the terms and conditions of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Shares which may fall to be allotted and issued in respect of the Share Options to be granted under the New Share Option Scheme.

**25. Miscellaneous**

Should there be any discrepancy between English and Chinese versions of this summary of New Share Option Scheme, the English version shall prevail.



**Shin Hwa World Limited**  
**神話世界有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock code: 00582)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of Shin Hwa World Limited (the “**Company**”) will be held at meeting room of SOHO 1, 6/F., IBIS Hong Kong Central & Sheung Wan, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Tuesday, 20 June 2023 at 2:30 p.m. for the following purposes:

**ORDINARY RESOLUTIONS**

1. To receive and adopt the audited financial statements of the Company and the reports of the directors (the “**Director(s)**”) and auditor of the Company for the year ended 31 December 2022.
2.
  - (a) To re-elect Ms. Chan Mee Sze as executive Director;
  - (b) To re-elect Mr. Shek Lai Him Abraham as independent non-executive Director;
  - (c) To authorise the board of Directors (the “**Board**”) to appoint additional Directors; and
  - (d) To authorise the Board to fix the Directors’ remuneration.
3. To re-appoint Zenith CPA Limited as the auditor of the Company and to authorise the Board to fix its remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the resolutions 4 to 7 as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of all the powers of the Company to repurchase ordinary share(s) in the share capital of the Company (the **“Share(s)”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) subject to and in accordance with all applicable laws and the provisions of, in the manner specified in the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**) be and is hereby generally and unconditionally approved;
- (b) the total shares hereby authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total share capital of the Company in issue at the date of the annual general meeting at which this resolution is passed; and
- (c) the authority hereby conferred on the Company pursuant to the approval in paragraph (a) above shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company, or (ii) the date falling fifteen months from the date of the annual general meeting convened by the notice of which this resolution forms part or such shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held, or (iii) such authority given under this resolution being renewed, revoked or varied by ordinary resolution of shareholders of the Company in general meeting.”

5. **“THAT:**

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of all the powers of the Company to allot, issue and deal with additional authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares and other rights of subscription for or conversion into shares, which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the total share capital to be allotted, issued and dealt with by the Directors of the Company pursuant to the approval in paragraph (a) above, other than as set out in paragraph (c) below, shall not exceed 20% of the total share capital of the Company in issue as at the date of the annual general meeting of the Company at which this resolution is passed and the authority conferred on the Directors pursuant to paragraph (a) above shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company, or (ii) the date falling fifteen months from the date of the annual general meeting convened by the notice of which this resolution forms part or such shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws to be held or (iii) such authority given under this resolution being revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, save that, in each case, this authority shall allow the Company before the expiry of this authority to make or grant offers, agreements and options (including warrants to subscribe for shares and other rights of subscription for or conversion into shares) which would or might require shares to be allotted and issued after such expiry and the Directors may allot, issue and deal with shares in pursuance of such offers, agreements and options as if the authority conferred hereby had not expired;
- (c) the provisions of paragraph (b) above shall not apply to the total share capital allotted and/or issued or agreed to be conditionally or unconditionally issued and/or allotted by the Directors pursuant to:
- (i) a rights issue where shares are offered for a fixed period to shareholders in proportion to their then holdings of shares on a fixed record date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, any territory applicable to the Company); or
  - (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Bye-laws; and
- (d) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors.”

6. “**THAT** conditional on the passing of resolution 5 in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company to allot, issue and deal with additional shares pursuant to resolution 5 set out in the notice convening this meeting be and is hereby extended by the addition to the total share capital of the Company which may be allotted or agreed to be conditionally or unconditionally allotted by the Directors pursuant to such general mandate of an amount representing the total share capital of the Company repurchased by the Company under the authority granted pursuant to resolution 4, provided that such extended amount shall not exceed 10% of the total share capital of the Company in issue as at the date of the passing of this resolution.”

7(A). “**THAT**:

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (or such shares as shall result from a capitalization issue, rights issue, subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) which may be issued in respect of the share options to be granted under the share option scheme of the Company, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose (“**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted; and any director of the Company and/or his/her delegate(s) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:
- (i) to administer the New Share Option Scheme under which share options will be granted to the eligible persons eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to grant share options under the New Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the share options to be granted under the New Share Option Scheme and subject to the Listing Rules and the Companies Act of Bermuda;

- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the share options to be granted under the New Share Option Scheme and subject to the Listing Rules and the Companies Act of Bermuda; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme and subject to the Listing Rules and the Companies Act of Bermuda;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company 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 close of business on the date on which this resolution is passed or the relevant date of approval of the refreshment of the Scheme Mandate Limit (as defined in the New Share Option Scheme); and
- (c) subject to paragraph (a) hereinabove, the Existing Share Option Scheme which was adopted by the Company on 17 September 2020 be and is hereby terminated with effect from the adoption of the New Share Option Scheme.”

7(B). “**THAT:**

within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 1% of the total number of Shares in issue as at the date on which this resolution is passed or the relevant date of approval of the refreshment of the Service Provider Sublimit (as defined in the New Share Option Scheme).”

By Order of the Board of  
**Shin Hwa World Limited**  
**Chan Mee Sze**

*Acting Chairperson and Executive Director*

Hong Kong, 26 April 2023

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*  
Units 1412-1413, 14th Floor  
China Merchants Tower  
Shun Tak Centre  
Nos. 168-200 Connaught Road Central  
Hong Kong



*Notes:*

1. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. A form of proxy in respect of this Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the Meeting and voting in person if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.
2. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 15 June 2023 (Hong Kong time) to Tuesday, 20 June 2023 (Hong Kong time), both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 June 2023 (Hong Kong time), being the last share registration date.
3. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy of such power or authority, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.
4. As at the date hereof, the Board comprises Dr. Yang Zhihui (Chairman) (suspension of duties and powers), Ms. Chan Mee Sze (Acting Chairperson), Dr. Wong Hoi Po, Ms. Pu Shen Chen and Mr. Huang Wei as executive Directors and Mr. Li Chun Kei, Mr. Shek Lai Him Abraham and Mr. Du Peng as independent non-executive Directors.