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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a 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 Chaowei Power Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **Chaowei Power Holdings Limited**

**超威動力控股有限公司**

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

**(Stock code: 951)**

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
(2) DECLARATION OF FINAL DIVIDEND,  
(3) RE-ELECTION OF DIRECTORS,  
(4) PROCEDURES FOR SHAREHOLDERS  
TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR,  
(5) PROPOSED AMENDMENTS TO THE ARTICLES  
AND ADOPTION OF THE NEW ARTICLES,  
(6) PROPOSED TERMINATION OF THE 2020 SHARE OPTION SCHEME,  
(7) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME  
AND  
(8) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Chaowei Power Holdings Limited to be held at Conference Room 4/F, No. 18, Chengnan Road, Huaxi Industrial Function Area, Changxing County, Zhejiang Province, PRC at 10 a.m. on Tuesday, 6 June 2023, is set out on pages 66 to 72 of this circular.

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

26 April 2023

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	7
<b>Appendix I — Explanatory Statement</b> .....	23
<b>Appendix II — Particulars of Directors to be Re-elected</b> .....	26
<b>Appendix III — Proposed Amendments to the Articles</b> .....	29
<b>Appendix IV — Summary of the Principal Terms of the 2023 Share Option Scheme</b> .....	49
<b>Notice of Annual General Meeting</b> .....	66

## DEFINITIONS

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

“2020 Share Option Scheme”	the share option scheme adopted by the Company on 10 June 2020
“2022 Annual Report”	the annual report of the Company for the financial year ended 31 December 2022
“2023 Share Option Scheme”	the share option scheme (a summary of the principal terms of which is set out in the Appendix IV to this circular) in its present or any amended form
“Adoption Date”	the date (which is expected to be the date of the AGM) on which the 2023 Share Option Scheme will be adopted by the Shareholders
“AGM”	the annual general meeting of the Company to be held at Conference Room 4/F, No. 18, Chengnan Road, Huaxi Industrial Function Area, Changxing County, Zhejiang Province, PRC at 10 a.m. on Tuesday, 6 June 2023, or any adjournment thereof
“Articles”	the articles of association of the Company adopted on 7 June 2010
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Bankrupting Ordinance”	the Bankrupting Ordinance (Chapter 6 of the laws of Hong Kong) as amended from time to time
“Board”	the board of Directors
“Board Lot”	the board lot in which the Shares are traded on the Stock Exchange from time to time
“business day(s)”	any day(s) (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“BVI”	British Virgin Islands
“CG Code”	the Corporate Governance Code set out in Appendix 14 of the Listing Rules

## DEFINITIONS

“Clawback”	in respect of any Options granted to an eligible participant, the repayment of money in relation to all or a specified part of such Options by such eligible participant and/or the ceasing or variation of the eligible participant’s entitlement to receive or be vested with all or a specified part of any such Options which have not yet been vested in the eligible participant
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Chaowei Power Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	the controlling shareholders (as defined in the Listing Rules) of the Company, namely Mr. Zhou, Great State and Jolly Pride
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“eligible participant(s)”	any employee participant(s), related entity participant(s) or service provider(s), provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories
“employee(s)”	in relation to a company, its full-time or part-time employee(s), or person(s) for the time being seconded to work full-time or part-time for such company
“employee participant(s)”	director(s) or employee(s) of the Company or any of its subsidiaries (including a person who is granted Options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“exercise price”	the price per Share at which a grantee may subscribe for a Share on the exercise of an Option pursuant to the 2023 Share Option Scheme

## DEFINITIONS

“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate
“Final Dividend”	a final dividend of HK\$0.066 per Share for the year ended 31 December 2022
“grantee”	any eligible participant who accepts the offer of the grant of an Option in accordance with the terms of the 2023 Share Option Scheme or (in the case of an eligible participant being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the relevant eligible participant
“Great State”	Great State Investments Limited, a company incorporated in the BVI, which is wholly-owned by Mr. Zhou
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Jolly Pride”	Jolly Pride (PTC) Limited, a company incorporated in the BVI and wholly-owned by Mr. Zhou, which holds Shares for the benefit of certain employees of the Group
“Jolly Pride Trust Deed”	a trust deed dated 14 June 2010 and deeds of exclusion of beneficiaries dated 30 May 2014 and 13 October 2014 entered into between Mr. Zhou and Jolly Pride in favour of 49 employees of the Group, pursuant to which the economic interest in the Shares which it holds and will hold from time to time shall belong to these 49 employees of the Group and that all other shareholder rights (including but not limited to voting and participation in shareholders’ meetings) in relation to the Shares shall be enjoyed by Jolly Pride exclusively

## DEFINITIONS

“Latest Practicable Date”	19 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Date”	7 July 2010, being the date of listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandates”	the Issue Mandate, the Repurchase Mandate and the Extension Mandate, collectively
“Mr. Zhou”	Mr. Zhou Mingming (周明明), founder of the Group, the chairman of the Board, the chief executive officer of the Company and an executive Director
“New Articles”	the amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the AGM
“Nomination Committee”	the nomination committee of the Board
“Notice”	the notice convening the AGM as set out on pages 66 to 72 of this circular
“Option(s)”	option(s) to subscribe for Share(s) granted pursuant to the 2023 Share Option Scheme and for the time being subsisting
“Option Share(s)”	Share(s) to which any particular Option relates
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Amendments”	proposed amendments to the Articles as set out in Appendix III to this circular

## DEFINITIONS

“related entity(ies)”	any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
“related entity participant(s)”	any director(s) or employee(s) of related entity(ies)
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company
“service provider(s)”	<p>any person(s) who provide(s) services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including the following person:</p> <ul style="list-style-type: none"><li>(a) a supplier of goods or services to any member of the Group, including but not limited to suppliers that provide lead, electrode plates, plastic battery castings, fiber glass dividing plates, or other raw materials or services such as marketing and advertisement;</li><li>(b) a customer or distributor of any member of the Group, including but not limited to manufacturers of electric bicycles and distributors for lead-acid motive batteries;</li><li>(c) a consultant providing business consulting services to the Group, including but not limited to consulting services on lead-acid motive batteries, lithium-ion batteries and other related products, product quality control, regulations and policies, research and development on the electric bikes and tricycles and battery industries;</li></ul>

## DEFINITIONS

- (d) a business or joint venture partner, franchisee, contractor, agent or representative in the battery industry of any member of the Group; and
- (e) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group.

For the avoidance of doubt, service provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity

“Service Provider Sublimit”	the total number of Shares which may be issued in respect of all options and awards to be granted to service providers under the 2023 Share Option Scheme and any other schemes of the Company. It is a sublimit under the Scheme Mandate Limit
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“US\$”	US dollars, the lawful currency of the United States
“vesting period”	in respect of an Option, the minimum period for which an Option must be held before it can be vested as the Board may in its absolute discretion determine
“%”	percent





**Chaowei Power Holdings Limited**

**超威動力控股有限公司**

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

**(Stock code: 951)**

*Executive Directors:*

Mr. Zhou Mingming (*Chairman and  
Chief Executive Officer*)  
Mr. Zhou Longrui  
Ms. Yang Yunfei  
Mr. Yang Xinxin

*Non-executive Director:*

Ms. Fang Jianjun

*Independent Non-executive Directors:*

Mr. Wang Jiqiang  
Prof. Ouyang Minggao  
Mr. Lee Conway Kong Wai  
Mr. Ng Chi Kit

*Registered office:*

P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman  
KY1-1205  
Cayman Islands

*Principal place of business*

*in Hong Kong:*  
Unit 1308A, 13/F  
Lippo Sun Plaza  
28 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

26 April 2023

*To Shareholders,*

Dear Sir/Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
(2) DECLARATION OF FINAL DIVIDEND,  
(3) RE-ELECTION OF DIRECTORS,  
(4) PROCEDURES FOR SHAREHOLDERS  
TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR,  
(5) PROPOSED AMENDMENTS TO THE ARTICLES  
AND ADOPTION OF THE NEW ARTICLES,  
(6) PROPOSED TERMINATION OF THE 2020 SHARE OPTION SCHEME,  
(7) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME  
AND  
(8) NOTICE OF ANNUAL GENERAL MEETING**

## **LETTER FROM THE BOARD**

### **INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the proposed grant of the Mandates, the declaration of the Final Dividend, the re-election of the relevant Directors, the amendments to the Articles and the adoption of the New Articles, the termination of the 2020 Share Option Scheme and the adoption of the 2023 Share Option Scheme and to seek your approval of the resolutions to these matters at the AGM. The corresponding Mandates as resolved by the then Shareholders on 9 June 2022, details of which have been set out in the annual general meeting circular dated 10 May 2022, will expire at the conclusion of the AGM.

### **ISSUE MANDATE**

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM. As at the Latest Practicable Date, a total of 1,104,126,979 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 220,825,395 Shares.

### **REPURCHASE MANDATE**

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 110,412,697 Shares.

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

### **EXTENSION MANDATE**

In addition, an ordinary resolution will also be proposed at the AGM to extend the Issue Mandate by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

## **LETTER FROM THE BOARD**

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting.

### **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

As stated in the announcement of the Company dated 27 March 2023 relating to the annual results of the Group for the year ended 31 December 2022, the Board recommended the payment of the Final Dividend to Shareholders whose names appear on the register of members of the Company on Wednesday, 14 June 2023. The Final Dividend is subject to approval by the Shareholders at the AGM and a resolution will be proposed to the Shareholders for voting at the AGM. If the resolution for the Final Dividend is passed at the AGM, the Final Dividend is expected to be paid on or around Friday, 14 July 2023. The register of members of the Company will be closed from Monday, 12 June 2023 to Wednesday, 14 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 9 June 2023.

### **PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR**

Article 85 of the Articles provides that:

“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 Member (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 head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) 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 (7) days prior to the date of such general meeting.”

For the purpose of the Articles:

- (i) “Member” means a duly registered holder from time to time of the shares in the capital of the Company;
- (ii) “Notice” means written notice unless otherwise specifically stated and as further defined in the Articles; and

## LETTER FROM THE BOARD

- (iii) “Registration Office” means, in respect of any class of share capital, such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served at the Company’s head office in Hong Kong at Unit 1308A, 13/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong or at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, including (i) his notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the nominated candidate of the candidate’s willingness to be appointed together with (a) that candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading “Required information of the candidate(s) nominated by Shareholders”, and (b) the candidate’s written consent to the publication of his personal data.

If the documents are served after the Company has given notice of general meeting appointed for the election of Director, the period for service of documents will commence on the day after the date of the notice of such general meeting and end seven (7) days prior to the date of such general meeting.

### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, the above described notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate(s):

- (a) full name and age;
- (b) position(s) held with the Company and its subsidiaries (if any);
- (c) experience including (i) other directorships held in the past three years in public companies of which the securities are listed on any securities markets in Hong Kong and overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate(s);
- (e) length or proposed length of service with the Company;
- (f) relationship with any Directors, senior management, substantial shareholders or Controlling Shareholders of the Company, or an appropriate negative statement;
- (g) interests in the Shares of US\$0.01 each within the meaning of Part XV of SFO, or an appropriate negative statement;

## LETTER FROM THE BOARD

- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

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

According to Article 84 of the Articles, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

As such, Mr. Yang Xinxin, Ms. Fang Jianjun and Mr. Ng Chi Kit will retire, and being eligible, offer themselves for re-election. Particulars of each of them are set out in Appendix II to this circular.

### **Recommendation of the Nomination Committee with respect to the independent non-executive Director subject to re-election at the AGM**

The Nomination Committee had assessed and reviewed the written confirmation of independence of Mr. Ng Chi Kit based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules. In addition, having evaluated the performance of Mr. Ng Chi Kit, the Nomination Committee is of the view that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs. Mr. Ng Chi Kit has also brought to the Board his own perspective, skills and experience, as further described in the details of the Directors in Appendix II to this circular.

Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Mr. Ng Chi Kit can contribute to the diversity of the Board, in particular, with his strong and diversified educational background and professional experience in his expertise, including his connections in various sectors as well as in-depth knowledge in accounting and auditing.

Further information about the nomination procedures and selection criteria adopted by the Company in considering the suitability of candidates for the position of Directors as well as the attendance records of the retiring Directors (including Mr. Ng Chi Kit) at the meetings of the Board and/or its committees and the general meetings of the Company in 2022 are disclosed in the sections headed "Board Meetings", "General Meetings with Shareholders", "Audit Committee", "Nomination Committee" and "Remuneration Committee" under the corporate governance report in the 2022 Annual Report.

## **LETTER FROM THE BOARD**

Pursuant to code provision B.2.3 of the CG Code, if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by Shareholders. Mr. Ng Chi Kit was appointed as a non-executive Director of the Group on 2 December 2010 and re-designated as an independent non-executive Director on 10 February 2017 and has therefore served as an independent non-executive Director for more than nine years. Separate resolution is proposed at the AGM to approve the re-appointment of Mr. Ng Chi Kit accordingly pursuant to code provision B.2.3 of the CG Code.

Having considered the above-mentioned factors, the Directors (excluding Mr. Ng Chi Kit for the present purpose) are of the opinion that Mr. Ng Chi Kit still maintains an independent view of the Company's affairs and is able to carry out his duties as independent non-executive Director in an impartial manner. His relevant professional experience will also continue to be beneficial to the Board and protect the interest of minority Shareholders.

Therefore, the Board, with the recommendation of the Nomination Committee, is of the view that the re-election of Mr. Ng Chi Kit as an independent non-executive Director is in the interest of the Company and Shareholders as a whole and recommends his re-election at the AGM.

### **Tenure of Independent Non-Executive Directors**

Pursuant to code provision B.2.4(a) of the CG Code, where all the independent non-executive Directors have served more than nine years on the board, the length of tenure of each existing independent non-executive Director should be disclosed on a named basis in this circular. Mr. Wang Jiqiang, Prof. Ouyang Minggao and Mr. Lee Conway Kong Wai were appointed as independent non-executive Directors on 7 June 2010, and as at the Latest Practicable Date, have served more than twelve years. Mr. Ng Chi Kit was first appointed as non-executive Director on 2 December 2010 and re-designated as an independent non-executive Director on 10 February 2017, and as at the Latest Practical Date, has served more than twelve years.

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

As disclosed in the announcement of the Company dated 27 March 2023, the Board proposed to make certain amendments to the Articles and to adopt the New Articles in order to (i) bring the Articles in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules and (ii) make some other housekeeping improvements.

The following are the major changes to bring the Articles in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules:

1. to provide that the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class;

## LETTER FROM THE BOARD

2. to provide that an annual general meeting of the Company shall be held in each financial year other than the financial year of the Company's adoption of the New Articles and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any);
3. to provide that an annual general meeting must be called by notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by notice of not less than fourteen (14) clear days and but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice, subject to the Companies Act, if it is so agreed;
4. to provide that two (2) members entitled to vote and present in person (in the case of a member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes;
5. to provide that all the members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
6. to provide that the Directors shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board, and any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
7. to provide that the auditor of the Company may be removed by the members by ordinary resolution at any general meeting convened and held in accordance with the New Articles at any time before the expiration of his term of office;
8. to provide that Section 19 of the Electronic Transactions Act (2003), as amended from time to time, shall not apply to the New Articles to the extent it imposes obligations or requirements in addition to those set out in the New Articles;
9. to provide that the financial year end of the Company shall be the 31st day of December in each year which is a requirement under the Companies Act;
10. to replace all references to "rules and regulations of the Designated Stock Exchange" with "Listing Rules", and make corresponding changes to relevant provisions of the New Articles; and
11. to replace all references to "Companies Law" with "Companies Act", and make corresponding changes to relevant provisions of the New Articles, including the insertion of the definition of "Act" and the deletion of the definition of "Law".



## **LETTER FROM THE BOARD**

The major changes to bring some other housekeeping improvements:

1. to delete the definitions of “associate“, “Subsidiary and Holding Company”, to add the definition of “close associate” and “substantial shareholder”, and to make corresponding changes to the relevant provisions;
2. to provide that the Directors may fill any casual vacancy in the office of the auditor of the Company but the surviving or continuing auditor(s) of the Company may act while any such vacancy continues, and the remuneration of any auditor appointed by the Directors under the New Articles may be fixed by the Board; and
3. to make other miscellaneous amendments to update, modernise or clarify provisions of the New Articles where it is considered desirable and to better align the wording with the Listing Rules and the Companies Act.

The Company has been advised by its legal advisers that the Proposed Amendments conform to the requirements of the Listing Rules and do not violate the laws of the Cayman Islands respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

Details of the Proposed Amendments are set out in Appendix III to this circular and the Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the AGM.

### **PROPOSED TERMINATION OF THE 2020 SHARE OPTION SCHEME AND ADOPTION OF THE 2023 SHARE OPTION SCHEME**

#### **Background**

The Company conditionally adopted a share option scheme on 7 June 2010 (the “2010 Share Option Scheme”), which became effective on 7 July 2010. The 2010 Share Option Scheme had a term of 10 years and expired on 6 July 2020. As at the Latest Practicable Date, a total of 29,500,000 options granted to employees of the Company pursuant to the 2010 Share Option Scheme remained outstanding, representing 2.67% of the total issued Shares.

Since the 2010 Share Option Scheme expired on 6 July 2020, the 2020 Share Option Scheme was proposed by the Board and approved by the Shareholders on 10 June 2020. No options had ever been granted by the Company under the 2020 Share Option Scheme. Except for the 2020 Share Option Scheme, the Company has no other effective scheme as at the Latest Practicable Date.



## LETTER FROM THE BOARD

Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from 1 January 2023. To enable the Company to grant options to eligible participants as incentives or rewards for their contributions to the Group and to comply with the new requirements of Chapter 17 of the Listing Rules, the Company proposed to terminate the 2020 Share Option Scheme and adopt the 2023 Share Option Scheme, subject to, among others, Shareholders' approval at the AGM. Immediately upon the adoption of the 2023 Share Option Scheme, the Company will not grant any Options to eligible participant(s) pursuant to the 2023 Share Option Scheme.

### **Termination of the 2020 Share Option Scheme**

Given that it is proposed to adopt the 2023 Share Option Scheme at the AGM, the Board has resolved to terminate the 2020 Share Option Scheme, subject to the Shareholders' approval at the AGM and pre-conditional upon the adoption of the 2023 Share Option Scheme.

### **Adoption of the 2023 Share Option Scheme**

For the purpose of Chapter 17 of the Listing Rules, the 2023 Share Option Scheme will constitute a share scheme involving the grant by the Company of options over new Shares. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the AGM.

The 2023 Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) the Shareholders' approval at the AGM; and (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued in accordance with the terms and conditions of the 2023 Share Option Scheme and any other schemes of the Company.

### **Principal terms of the 2023 Share Option Scheme**

#### *Purposes of the 2023 Share Option Scheme*

The purposes of the 2023 Share Option Scheme are to recognise the contributions by certain eligible participant(s) and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

#### *Eligible participants and eligibility*

Eligible participants of the 2023 Share Option Scheme include employee participants, related entity participants and service providers.

## LETTER FROM THE BOARD

Service provider(s) means any person(s) who provide(s) services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including any of the following persons:

- (a) a supplier of goods or services to any member of the Group, including but not limited to suppliers that provide lead, electrode plates, plastic battery castings, fiber glass dividing plates, or other raw materials or services such as marketing and advertisement;
- (b) a customer or distributor of any member of the Group, including but not limited to manufacturers of electric bicycles and distributors for lead-acid motive batteries;
- (c) a consultant providing business consulting services to the Group, including but not limited to consulting services on lead-acid motive batteries, lithium-ion batteries and other related products, product quality control, regulations and policies, research and development on the electric bikes and tricycles and battery industries;
- (d) a business or joint venture partner, franchisee, contractor, agent or representative in the battery industry of any member of the Group; and
- (e) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group.

For the avoidance of doubt, service provider may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

The basis of determining the eligibility of each eligible participant, including the criteria for determining a person's eligibility under each category of eligible participant (including each category of the service providers), shall be determined by the Board from time to time. For details of the eligibility of each category of eligible participants, please refer to Appendix IV to this circular.

The Directors (including the independent non-executive Directors) are of the view that the eligibility of employee participants, related entity participants and service providers to participate in the 2023 Share Option Scheme is consistent with the purposes of the 2023 Share Option Scheme, which enable the Group to preserve its cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company on one hand and the employee participants, related entity participants and service providers on the other hand, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group.

Although the Company has not granted any options to the related entity participants nor service providers as at the Latest Practicable Date, related entity participants and service providers have been included in the definition of eligible participants in the Company's existing and past share option schemes, as is in line with the industry norm.

## LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees (including related entity participants and service providers) who have contributed to the Group or may contribute to the Group in the future. Grant of options to related entity participants and service providers would not only align the interest of the Group with such grantees, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group. Through the grant of options, the interest of such related entity participants and service providers will be aligned with that of the Group in promoting the growth and development of the Group's business.

In respect of the related entity participants, the Company and the related entity participants have always had a close working relationship. Despite that related entity participants may not be directly appointed and employed by the members of the Group, such related entity participants are nonetheless valuable to the Group given their close corporate and collaborative relationships. They may be involved in business engagements relating to or having connections with the Group's businesses. 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 related entities.

In respect of the service providers, the Group has, in its ordinary and usual course of business, always relied on (i) suppliers of goods or services to any member of the Group, including but not limited to suppliers that provide lead, electrode plates, plastic battery castings, fiber glass dividing plates, or other raw materials or services such as marketing and advertisement; (ii) customers or distributors of any member of the Group, including but not limited to manufacturers of electric bicycles and distributors for lead-acid motive batteries; (iii) consultants providing business consulting services to the Group, including but not limited to consulting services on lead-acid motive batteries, lithium-ion batteries and other related products, product quality control, regulations and policies, research and development on the electric bikes and tricycles and battery industries; (iv) business or joint venture partners, franchisees, contractors, agents or representatives in the battery industry of any member of the Group; and (v) persons or entities that provide design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group. It is believed that the Group's success is attributable to the high quality of goods and services provided by such persons, entities and suppliers. Moreover, service providers may not always be able to serve as full-time or part-time employees of the Group due to a variety of reasons. For example, these persons may have stepped down from employment position with the Group, or they may be experienced in their own fields and professionals with lots of business connections but cannot serve the Group as employees, or they may prefer to remain self-employed.

## LETTER FROM THE BOARD

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the inclusion of the related entity participants and service providers in the 2023 Share Option Scheme is in line with the purpose of the 2023 Share Option Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole because this gives the Company the flexibility to grant options (instead of cash reward or other settlement) to the related entity participants and service providers when necessary.

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

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company, and shall not in aggregate exceed 110,412,697 Shares, representing 10% of the total number of issued Shares as at the Adoption Date, assuming that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM.

The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and any other schemes of the Company, and shall not in aggregate exceed 22,082,539 Shares, representing 2% of the total number of issued Shares as at the Adoption Date, assuming that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM.

The Service Provider Sublimit was determined after considering the service provider sublimit set by other listed companies, the potential dilution effect that may arise from grants to service providers, and the fact that the Company expects that options will mostly be granted to employee participants but would like to retain the flexibility to grant options to service providers for the reasons mentioned above and hence limit such grants to a relatively small portion of the Scheme Mandate Limit, which is 2% of the issued Shares as at the Adoption Date.

The Directors (including the independent non-executive Directors) are of the view that the Service Provider Sublimit under is appropriate and reasonable, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purposes of the 2023 Share Option Scheme.

## LETTER FROM THE BOARD

### *Exercise price of options*

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular option under the 2023 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

- (i) the nominal value (if any) of a Share;
- (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and
- (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

The Directors are of the view that the exercise price of options is appropriate given that it is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of options that can provide sufficient incentive to the eligible participants to achieve the purpose of the 2023 Share Option Scheme.

### *Vesting period*

The vesting of any options under the 2023 Share Option Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter. In determining the vesting period of any options granted to any eligible participant, the Board may take into consideration matters including (without limitation) the present contribution and expected contribution of the eligible participant to the profits of the Group, the general financial condition of the Group, the Group's overall business objectives and future development plan, and any other matter which the Board considers relevant. Only insofar as and for so long as the Listing Rules require, the vesting period for an option under the 2023 Share Option Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under specific circumstances. For details of specific circumstances that the options granted to employee participants could be less than 12 months, please refer to Appendix IV to this circular.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the vesting period for options granted to employee participants may be less than 12 months under specific circumstances as set out in Appendix IV to this circular is appropriate because such arrangement is in line with the requirements under the Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, which is in line with the purpose of the 2023 Share Option Scheme.

## LETTER FROM THE BOARD

### *Performance targets*

The Board is entitled to impose any condition (including, without limitation, any performance target) as it deems appropriate with respect to the entitlement of the eligible participant to the Option Shares, provided that such condition is communicated to such eligible participant at the same time as he is notified of his Option. Performance Target shall normally be tested over a performance period of at least three financial years of the Company (or such other period as the Board may from time to time determine); may relate to the performance of the eligible participant (who is a director or senior management of the Company), the Company, one or more of its subsidiaries, the business or functional unit or department for which such eligible participant works or the strategic or business initiatives or projects for which such eligible participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the above; may be relative to the performance of one or more comparators, benchmarks, indices or other measures.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2023 Share Option Scheme, as each eligible participant will play different roles and contribute in different ways to the Group. The Board or the Remuneration Committee shall have regard to the purpose of the 2023 Share Option Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant eligible participant(s).

### *Clawback*

Where there has been a material misstatement or omission in the financial report of the Group or if the relevant eligible participant has engaged in serious negligence, fraud or misconduct, any Options may be subject to Clawback as determined by the Board from time to time.

The Directors (and the Remuneration Committee in respect of grants of options to the Directors and/or senior management) are of the view that the clawback mechanism in the 2023 Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to eligible participants culpable of misconduct and is in line with the purpose of the 2023 Share Option Scheme and the interests of Shareholders.

### **Terms of the 2023 Share Option Scheme**

A summary of the principal terms of each of the 2023 Share Option Scheme are set out in Appendix IV to this circular. These summaries do not constitute the full terms of the same. A copy of the rules of the 2023 Share Option Scheme has been published and will remain on the Company's website at [www.chaowei.com.hk](http://www.chaowei.com.hk) and Hong Kong Exchanges and Clearing Limited's HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) for display for a period of not less than 14 days before the date of the AGM and such rules will be made available for inspection at the AGM.

## LETTER FROM THE BOARD

### **Application for listing**

Application will be made by the Company to the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the total number of issued Shares as at the Adoption Date) which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company.

Assuming that the 2023 Share Option Scheme is adopted, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company is 110,412,697, representing 10% of the total number of issued Shares as at the Adoption Date.

### **OTHER INFORMATION**

To the extent that the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the adoption of the New Articles, the termination of the 2020 Share Option Scheme and the adoption of the 2023 Share Option Scheme. As such, none of the Shareholders are required to abstain from voting on the resolutions in relation to the adoption of the New Articles, the termination of the 2020 Share Option Scheme and the adoption of the 2023 Share Option Scheme.

### **AGM**

The Notice is set out on pages 66 to 72 of this circular.

The 2022 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2022 and the reports of the Directors and the auditor thereon was despatched to Shareholders together with this circular.

A form of proxy 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 accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement 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.

### **VOTING BY POLL AT THE AGM**

Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 66 of the Articles.



## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the declaration of the Final Dividend, the re-election of Directors named above (including Mr. Ng Chi Kit, who has served as an independent non-executive Director for more than nine years), the proposed amendments to the Articles and the adoption of the New Articles, the proposed termination of the 2020 Share Option Scheme and the proposed adoption of the 2023 Share Option Scheme are beneficial to the Company and Shareholders as a whole.

Accordingly, the Directors recommend that Shareholders vote in favour of all the 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 enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Thursday, 1 June 2023 to Tuesday, 6 June 2023, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the right to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 31 May 2023.

The transfer books and register of members of the Company will be closed, for the purpose of determining the entitlement to the Final Dividend, from Monday, 12 June 2023 to Wednesday, 14 June 2023, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the Final Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 9 June 2023.

Yours faithfully,  
For and on behalf of the Board of  
**Chaowei Power Holdings Limited**  
**ZHOU Mingming**  
*Chairman and Chief Executive Officer*



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

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

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

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,104,126,979 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 110,412,697 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or
- (iii) revoked or varied by an ordinary resolution of Shareholders in a general meeting.

## **3. REASONS FOR THE REPURCHASE**

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

## **4. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Act.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company (as compared with the position disclosed in the 2022 Annual Report). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

## 5. SHARE PRICES

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

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2022</b>		
April	1.73	1.61
May	1.72	1.63
June	1.93	1.70
July	2.04	1.71
August	2.13	1.82
September	1.76	1.62
October	1.74	1.54
November	1.72	1.56
December	1.80	1.66
<b>2023</b>		
January	2.31	1.72
February	2.52	2.00
March	2.04	1.64
April (made up to the Latest Practicable Date)	1.72	1.67

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Directors, the Controlling Shareholders together control the exercise of approximately 38.30% voting rights in the general meeting of the Company.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the indirect shareholding of the Controlling Shareholders in the Company would increase to approximately 42.56% of the issued share capital of the Company, which will give rise to an obligation on the part of the Controlling Shareholders to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code. However, the Directors will have no present intention to exercise the Repurchase Mandate to such an extent that will result in (i) such obligation arising under the Takeovers Code; and (ii) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

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

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

#### **8. GENERAL**

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

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

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

The details of the Directors to be re-elected at the AGM are set out below:

## EXECUTIVE DIRECTOR

### Mr. Yang Xinxin (楊新新)

Mr. Yang Xinxin (楊新新), aged 56, was appointed as an executive Director on 16 August 2011. He is mainly responsible for assisting Mr. Zhou in the discharge of Mr. Zhou's duties in the overall management of the Group. He has vast experience in the management of sizeable organisations. Immediately prior to joining the Group, Mr. Yang was the secretary of the party committee (黨委書記) and deputy head (副院長) of Zhejiang Design Institute of Water Conservancy and Hydroelectric Power (浙江省水利水電勘測設計院), and had served in such positions since August 2006. He was the deputy head (副縣長) of the People's Government of Anji County, Zhejiang Province (浙江省安吉縣人民政府) between June 2001 and August 2003. Mr. Yang was the deputy director of Water Resources Department of Zhejiang Province (浙江省水利廳) between August 2003 and August 2006. He is a professor-level senior engineer (教授級高級工程師). Mr. Yang obtained a bachelor's degree from Anhui University of Science & Technology (安徽理工大學), formerly known as Huainan Mining Institute (淮南礦業學院), in July 1988 and a master's degree from Zhejiang University (浙江大學) in March 1991.

Mr. Yang has entered into a service agreement with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the service agreement, Mr. Yang will be entitled to an annual remuneration of RMB2,000,000 (plus discretionary bonus (if any)), subject to annual review by remuneration committee under the Board. His emoluments are determined by the Board with reference to his qualification and experience, as well as the responsibilities to be undertaken.

Mr. Yang is an elder brother of Mr. Zhou, and the son of Mr. Zhou Longrui and Ms. Yang Yunfei, all being executive Directors. Mr. Yang is the brother-in-law of Ms. Fang Jianjun, a non-executive Director. Save as disclosed above, he does not have any relationship with any Directors, senior management, substantial shareholder or Controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Yang was deemed to be interested in 20,000,000 Shares held by Tong Sheng Limited by virtue of his 100% interest in Tong Sheng Limited. Save as disclosed above, Mr. Yang does not have any interests or short positions in any Shares, underlying Shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Mr. Yang has not been a director of any other company listed in Hong Kong or overseas for the last three years, and there are no other matters concerning Mr. Yang that need to be brought to the attention of the Shareholders nor is there any information relating to Mr. Yang that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

**NON-EXECUTIVE DIRECTOR****Ms. Fang Jianjun (方建軍)**

**Ms. Fang Jianjun (方建軍)**, aged 54, was appointed as a non-executive Director on 17 November 2013. Ms. Fang received a bachelor's degree in chemistry from Hangzhou Normal University (杭州師範大學) in July 1990. From August 1990 to October 1998, Ms. Fang was a teacher at Hongxi Middle School (虹溪中學) in Zhejiang Province, the PRC.

Ms. Fang has entered into a letter of appointment with the Company for a term of three years. Her directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the letter of appointment, Ms. Fang will be entitled to an annual remuneration of RMB350,000 (plus discretionary bonus (if any)), subject to annual review by remuneration committee under the Board. Her emoluments are determined by the Board with reference to her qualification and experience, as well as the responsibilities to be undertaken.

Ms. Fang is the spouse of Mr. Zhou. She is also a daughter-in-law of Mr. Zhou Longrui and Ms. Yang Yunfei, a sister-in-law of Mr. Yang Xinxin, all being executive Directors. Save as disclosed above, she does not have any relationship with any Directors, senior management, substantial shareholder or Controlling Shareholders of the Company.

As at the Latest Practicable Date, Ms. Fang was (1) deemed to be interested in 111,637,000 Shares held by Bai Xiang Limited by virtue of her 100% interest in Bai Xiang Limited, and (2) deemed to be interested in 311,250,000 Shares and underlying Shares in which Mr. Zhou, her spouse, is interested. Save as disclosed above, Ms. Fang does not have any interests or short positions in any Shares, underlying shares or debentures (within the meaning of part XV of the SFO) of the Company.

Save as disclosed above, Ms. Fang has not been a director of any other company listed on Hong Kong or overseas for the last three years, and there are no other matters concerning Ms. Fang that need to be brought to the attention of the Shareholders nor is there any information relating to Ms. Fang that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

**INDEPENDENT NON-EXECUTIVE DIRECTOR****Mr. Ng Chi Kit (吳智傑)**

**Mr. Ng Chi Kit (吳智傑)**, aged 49, was appointed as a non-executive Director of the Group on 2 December 2010 and has been re-designated as an independent non-executive Director since 10 February 2017. Prior to that, Mr. Ng was the Group's chief financial officer and company secretary. Mr. Ng holds a bachelor's degree in accountancy from the Hong Kong Polytechnic University and is an Associate Member of Hong Kong Institute of Certified Public Accountants and a Fellow Member of The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Ng worked in the Assurance and Advisory Business Service Department of Ernst & Young. Mr. Ng has over 20 years of experience in accounting and auditing. Mr. Ng is currently an independent non-executive director of Great Wall Motor Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2333) and the Shanghai Stock Exchange (Stock Code: 601633), Frontier Biotechnologies (Nanjing) Inc (Stock Code: 688221), a company listed on the Shanghai Stock Exchange, and Immunotech Biopharm Ltd (Stock Code: 6978), a company listed on the Main Board of the Stock Exchange.

Mr. Ng has entered into a service agreement with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. Under the service agreement, Mr. Ng will be entitled to an annual remuneration of RMB420,000 (plus discretionary bonus (if any)), subject to annual review by remuneration committee under the Board. His emoluments are determined by the Board with reference to his qualification and experience, as well as the responsibilities to be undertaken.

As at the Latest Practicable Date, Mr. Ng does not have any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, Mr. Ng has not been a director of any other company listed in Hong Kong or overseas for the last three years. Mr. Ng does not have any relationship with any other Directors, senior management or substantial or Controlling Shareholders and there are no other matters concerning Mr. Ng that need to be brought to the attention of the Shareholders nor is there any information relating to Mr. Ng that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

The following are the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles. If the serial numbering of the clauses of the Articles is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Articles as so amended shall be changed accordingly, including cross-references.

*Note:* The New Articles is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

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| Clause No. | Provisions in the New Articles (showing changes to the existing Articles and the parts without changes in the following provisions are shown in "...")  |
| 1.         | The regulations in Table A in the Schedule to the Companies <del>Law</del> Act (Revised) do not apply to the Company.   |
| 2.         | (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column. |

WORD	MEANING
<u>"Act"</u>	<u>the Companies Act, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</u>
<u>"associate"</u>	<del>has the meaning attributed to it in the rules of the Designated Stock Exchange.</del>
<u>"clearing house"</u>	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction <u>including but not limited to HKSCC.</u>
<u>"close associate"</u>	<u>in relation to any Director, shall have the same meaning as defined in the Listing Rules, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to "associate" in the Listing Rules.</u>

“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“ <u>HKSCC</u> ”	<u>Hong Kong Securities Clearing Company Limited.</u>
“ <del>Law</del> ”	<del>The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.</del>
“ <u>Listing Rules</u> ”	<u>rules and regulations of the Designated Stock Exchange.</u>
“Statutes”	the <del>Law</del> <u>Act</u> and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.
“ <del>Subsidiary and Holding Company</del> ”	<del>has the meanings attributed to them in the rules of the Designated Stock Exchange.</del>
“ <u>substantial shareholder</u> ”	<u>a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.</u>



- (2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

...

- (i) ~~Section 8 of the Electronic Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.~~
- (i) Section 8 and Section 19 of the Electronic Transactions Act (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles; and
- (j) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

3.

...

- (2) Subject to the ~~Law~~Act, the Company's Memorandum and Articles of Association and, where applicable, the ~~rules of any Designated Stock Exchange~~Listing Rules and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the ~~Law~~Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the ~~Law~~Act.
- (3) Subject to compliance with the ~~rules and regulations of the Designated Stock Exchange~~Listing Rules and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

4. The Company may from time to time by ordinary resolution in accordance with the ~~LawAct~~ alter the conditions of its Memorandum of Association to:
- ...
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company's Memorandum of Association (subject, nevertheless, to the ~~LawAct~~), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the ~~LawAct~~, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.
8. (1) Subject to the provisions of the ~~LawAct~~ and the Company's Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.
- (2) Subject to the provisions of the ~~LawAct~~, the ~~rules of any Designated Stock Exchange Listing Rules~~ and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

9. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~INTENTIONALLY DELETED.
10. Subject to the ~~Law~~Act and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:
- (a) ~~the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~
- (a) the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class; and

...

12. (1) Subject to the ~~Law~~Act, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange Listing Rules~~ and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.
- ...
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the ~~Law~~Act. Subject to the ~~Law~~Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
15. Subject to the ~~Law~~Act and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
19. Share certificates shall be issued within the relevant time limit as prescribed by the ~~Law~~Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

44. The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every business day by Members without charge or by any other person, upon a maximum payment of \$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the ~~LawAct~~ or, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
48. ...
- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the ~~LawAct~~.
49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:-
- ...
- (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the ~~LawAct~~ or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

56. ~~An annual general meeting of the Company shall be held in each year other than the year of the Company's adoption of these Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board.~~ An annual general meeting of the Company shall be held for each financial year other than the financial year of the Company's adoption of these Articles and such annual general meeting must be held within six (6) months after the end of Company's financial year (unless a longer period would not infringe the Listing Rules, if any) at such time and place as may be determined by the Board.
58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
59. ~~(1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:~~
- ~~(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and~~

- (b) ~~in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.~~
- (1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings must be called by Notice of not less than fourteen (14) clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.
61. ...
- (2) ~~No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative shall form a quorum for all purposes.~~
- (2) Two (2) Members entitled to vote and present in person (in the case of a Member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.
67. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the ~~rules of the Designated Stock Exchange~~Listing Rules.
70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the ~~Law~~Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

73. ...
- (2) All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.
- (23) Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange~~Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.
81. ...
- (2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands.
83. (2) Subject to the Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.



~~(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for reelection.~~

(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

90. An alternate Director shall only be a Director for the purposes of the ~~LawAct~~ and shall only be subject to the provisions of the ~~LawAct~~ insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

98. Subject to the ~~LawAct~~ and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 99 herein.

100. ~~(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested and such Director shall not attend nor participate during the Board's discussion and approval of such resolution (unless his attendance or participation is required by a majority of the independent non-executive directors of the Company), but this prohibition shall not apply to any of the following matters namely:~~
- ~~(i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;~~
  - ~~(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
  - ~~(iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;~~
  - ~~(iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;~~

- ~~(v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five per cent. (5%) or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate is derived); or~~
- ~~(vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.~~
- (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested and such Director shall not attend nor participate during the Board's discussion and approval of such resolution (unless his attendance or participation is required by a majority of the independent non-executive directors of the Company), but this prohibition shall not apply to any of the following matters namely:
- (i) the giving of any security or indemnity either:-
- (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

101. ...
- (3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:
- ...
- (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the ~~LawAct~~.
- (4) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force at the date of adoption of these Articles, and except as permitted under the ~~LawAct~~, the Company shall not directly or indirectly:
- ...
107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the ~~LawAct~~, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
110. ...
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the ~~LawAct~~, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the ~~LawAct~~ in regard to the registration of charges and debentures therein specified and otherwise.
124. (1) The officers of the Company shall consist of a chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the ~~LawAct~~ and these Articles.

125. ...
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the ~~LawAct~~ or these Articles or as may be prescribed by the Board.
127. A provision of the ~~LawAct~~ or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.
128. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the ~~LawAct~~ or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the ~~LawAct~~.
133. Subject to the ~~LawAct~~, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.
134. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the ~~LawAct~~.
143. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the ~~LawAct~~. The Company shall at all times comply with the provisions of the ~~LawAct~~ in relation to the share premium account.
- ...

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the ~~Law~~Act:
- ...
147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the ~~Law~~Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange Listing Rules~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange Listing Rules~~, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

152. ...
- (2) The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
- (3) The remuneration of the Auditor shall be fixed by the Company by ordinary resolution in general meeting or in such manner as the Members may determine by a body that is independent of the Board.
153. Subject to the ~~Law~~Act the accounts of the Company shall be audited at least once in every year.
154. ~~The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members or other body that is independent of the Board in accordance with Article 152(3).~~
155. ~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.~~INTENTIONALLY DELETED
- ...



158. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange Listing Rules~~), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

163. ...

- (2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the ~~Law Act~~, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

**FINANCIAL YEAR**

167. Unless otherwise determined by the Directors, the financial year end of the Company shall be 31 December in each year.

*The following is a summary of the principal terms of the rules of the 2023 Share Option Scheme proposed to be adopted at the AGM.*

## **1. PURPOSE OF THE 2023 SHARE OPTION SCHEME**

The purposes and objectives of the 2023 Share Option Scheme are to recognise the contributions by certain eligible participant(s) and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

## **2. PARTICIPANTS AND ELIGIBILITY**

Eligible participants of the 2023 Share Option Scheme include employee participants, related entity participants and service providers.

The basis of determining the eligibility of each eligible participant, including the criteria for determining a person's eligibility under each category of eligible participant, shall be determined by the Board absolutely. The assessing factors for each category of eligible participant (including each category of the service providers) shall include, but not limited to, the following:

- (a) for employee participants: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group;
- (b) for related entity participants: the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the related entity participant has established with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the related entity participant has exerted and given towards the success of the Group, and the amount of potential support, assistance, guidance, advice, efforts and contributions the related entity participant is likely to be able to give or make towards the success of the Group in the future; and
- (c) for service providers: the individual performance of the service provider, the length of business relationship with the Group, the materiality and nature of the services provided to the Group (such as whether they relate to the core business of the Group and whether such services could be readily replaced by third parties), track record in quality of services provided to the Group, the scale of business dealings with the Group, and actual or potential contribution to the Group's revenue or profit which is or may be attributable to the service provider.

### 3. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company, and shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date.

The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service provider under the 2023 Share Option Scheme and any other schemes of the Group, and shall not in aggregate exceed 2% of the Shares in issue as at the Adoption Date.

Options or awards lapsed in accordance with the rules of the 2023 Share Option Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

The Company may seek approval by its Shareholders in general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit after three years from (i) the Adoption Date; or (ii) the date of the Shareholders' approval for the last refreshment (as the case may be).

Only insofar as and for so long as the Listing Rules require, any refreshment within any three-year period shall be approved by the Shareholders, subject to the following provisions:

- (a) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favor of the relevant resolution at the general meeting; and
- (b) the Company shall comply with the applicable requirements under the Listing Rules.

The total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the Shareholders' approval for the refreshment. The Company shall send to its Shareholders a circular containing the details and information required under the Listing Rules, including the number of options and awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Sublimit, and the reasons for the refreshment.

**4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

The maximum entitlement of each eligible participant within the 12-month period up to and including the date of grant should be 1% of the relevant class of Shares in issue, provided that where any grant of Options to an eligible participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant shall be separately approved by the Shareholders in general meeting with such eligible participant and his close associates (or associates if such eligible participant is a connected person) abstaining from voting. The Company shall send a circular to its Shareholders containing the details and information required under the rules of the 2023 Share Option Scheme and the Listing Rules.

**5. GRANTS OF OPTIONS TO DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS**

Subject to the Scheme Mandate Limit, but only insofar as and for so long as the Listing Rules require:

- (a) any grant of Options to a Director, chief executive or a substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of an Option);
- (b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under the 2023 Share Option Scheme and any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares of the Company in issue, such further grant of Options shall be approved by Shareholders in general meeting in the manner as set out in sub-paragraph (c) below;
- (c) in the circumstances described in sub-paragraph (b) above, the Company shall send a circular to its Shareholders. The grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the relevant requirements under the Listing Rules. The circular shall contain details and information as required under the Listing Rules;

- (d) any change in the terms of Options granted to an eligible participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by Shareholders in the manner as set out in sub-paragraph (c) above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme); and
- (e) the requirements for the grant to a Director or chief executive of the Company as set out in this paragraph do not apply where the eligible participant is only a proposed director or chief executive of the Company.

## 6. EXERCISE PERIOD

In respect of an Option, the period within which an Option may be exercised by the grantee as the Board may in its absolute discretion determine and which shall not be more than 10 years from the grant date of the Option.

An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the exercise period in the manner as set out in rules of the 2023 Share Option Scheme by the grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) by giving notice in writing to the Company in the manner to the satisfaction to the Company and stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the auditors' certificate pursuant to rules of the 2023 Share Option Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) share certificate(s) in respect of the Shares so allotted.

## 7. VESTING PERIOD

The vesting and exercise of any Option may be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter. In determining the vesting period of any Options granted to any eligible participant, the Board may take into consideration matters including (without limitation) the present contribution and expected contribution of the eligible participant to the profits of the Group, the general financial condition of the Group, the Group's overall business objectives and future development plan, and any other matter which the Board considers relevant.

Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the 2023 Share Option Scheme shall not be less than 12 months, except that the Options granted to employee participants may be less than 12 months under the following specific circumstances:

- (a) grants of “make-whole” Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants of Options to an employee participant whose employment is terminated due to death or disability or uncontrollable event. In those circumstances, the vesting of an Option may accelerate;
- (c) grants of Options with performance-based vesting conditions provided in these rules of the 2023 Share Option Scheme in lieu of time-based vesting criteria;
- (d) grants of Options made in batches during a year for administrative and compliance reasons (may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Option would have been granted);
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

## **8. PERFORMANCE TARGETS**

Subject to the provisions of the Listing Rules and the 2023 Share Option Scheme, the Board is entitled to impose any condition (including, without limitation, any performance target) as it deems appropriate with respect to the entitlement of the eligible participant to the Option Shares provided that such condition is communicated to such eligible participant at the same time as he is notified of his Option pursuant to terms of the 2023 Share Option Scheme. Performance target shall normally be tested over a performance period of at least three financial years of the Company (or such other period as the Board may from time to time determine); may relate to the performance of the eligible participant (who is a director or senior management of the Company), the Company, one or more of its subsidiaries, the business or functional unit or department for which such eligible participant works or the strategic or business initiatives or projects for which such eligible participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the above; may be relative to the performance of one or more comparators, benchmarks, indices or other measures.

**9. AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION AND PAYMENT PERIOD**

An offer of the grant of an Option shall remain open for acceptance by the eligible participant concerned for a period of 28 days from the grant date provided that no such grant of an Option may be accepted after the expiry of the effective period of the 2023 Share Option Scheme or after the 2023 Share Option Scheme has been terminated. An Option shall be deemed to have been granted and accepted by the eligible participant and to have taken effect when the duplicate grant letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the acceptance date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of Board Lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate grant letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the acceptance date, it will be deemed to have been irrevocably declined.

**10. EXERCISE PRICE**

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular Option under the 2023 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

- (a) the nominal value (if any) of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date.

**11. CERTAIN RIGHTS ATTACHING TO THE SHARES AND THE OPTIONS**

No grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the 2023 Share Option Scheme, unless and until Shares are actually issued to the grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) as the holder thereof.



## 12. LIFE OF THE 2023 SHARE OPTION SCHEME

Subject to the fulfilment of the conditions and the termination provisions pursuant to the 2023 Share Option Scheme, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Upon the expiry of the 2023 Share Option Scheme as aforesaid, no further Options will be offered but the provisions of the 2023 Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the 2023 Share Option Scheme.

## 13. LAPSE OF OPTIONS

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

- (a) the expiry of the exercise period;
- (b) the expiry of any of the period referred to in this paragraph 13;
- (c) the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his debts;
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the rules of the 2023 Share Option Scheme; or
- (f) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the grantee at any time during the exercise period, provided that:

- (a) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under sub-paragraph (e) below exists with respect to such grantee, he (or his personal representative(s)) may exercise the Option up to the grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Board may determine;

- (b) in the event that the grantee ceases to be (i) an employee participant by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time or (ii) a related entity participant by reason of his retirement pursuant to such retirement scheme applicable to the related entity (as the case may be), and none of the events for termination of employment or engagement under sub-paragraph (e) below exists with respect to such grantee, his Option (to the extent not already exercised) shall be exercisable up to the grantee's entitlement immediately prior to his retirement until the expiry of the relevant exercise period;
- (c) in the event that the grantee ceases to be (i) an employee participant by reason of his transfer of employment to a related entity or (ii) a related entity participant by reason of his transfer of employment to the Group (as the case may be), his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined;
- (d) in the event that the grantee ceases to be an employee participant or a related entity participant (as the case may be) for any reason (including his employing company ceasing to be a member of the Group or a related entity) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group or a related entity (as the case may be) at the relevant time or the transfer of his employment to a related entity or the Group (as the case may be) or the termination of his employment with the relevant member of the Group or a related entity (as the case may be) by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (e) in the event that the grantee ceases to be an employee participant or a related entity participant (as the case may be) by reason of the termination of his employment by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the grantee is notified of the termination of his employment (in the case of culpable termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph (e) shall be final and conclusive;

- (f) if a grantee being:
- (i) an executive Director ceases to be an executive Director or senior management of the Group but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
  - (ii) a non-executive Director or an independent non-executive Director ceases to be a Director:
    - (1) by reason of non-executive Director retirement, his Option (to the extent not already exercised) shall be exercisable up to the grantee's entitlement immediately prior to his retirement until the expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or
    - (2) for reasons other than non-executive Director retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (g) if:
- (i) the Board in its absolute discretion at any time determines that a grantee has ceased to be an eligible participant;
  - (ii) a grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the grantee is notified thereof (in the case of (i)) or on the date on which the grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph (g) shall be final and conclusive;

- (h) if a grantee (being a corporation):
- (i) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the grantee; or
  - (ii) has suspended, ceased or threatened to suspend or cease business; or
  - (iii) is unable to pay its debts; or
  - (iv) otherwise becomes insolvent; or
  - (v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or
  - (vi) commits a breach of any contract entered into between the grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or threatened suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or otherwise becomes insolvent or on the date of notification by the Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (vi) of this sub-paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph shall be final and conclusive;

- (i) if a grantee (being an individual):
- (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law or has otherwise become insolvent; or
  - (ii) has made any arrangement or composition with his creditors generally; or
  - (iii) has been convicted of any criminal offence involving his integrity or honesty;  
or

(iv) commits a breach of any contract entered into between the grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of this sub-paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph shall be final and conclusive;

- (j) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (k) if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have Options unexercised at the same time as it despatches notices to all Shareholders or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his personal representatives or receiver) may until the expiry of the earlier of:
- (i) the exercise period;
  - (ii) the period of two months from the date of such notice; or
  - (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.

Except insofar as exercised in accordance with this sub-paragraph (k), all Options outstanding at the expiry of the relevant period referred to in this sub-paragraph (k) shall lapse. The Company may thereafter require each grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (l) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company in the manner to the satisfaction 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, allot the relevant Shares to the grantee (or any other person so permitted pursuant to the 2023 Share Option Scheme) credited as fully paid.

#### **14. ADJUSTMENT IN ALTERATION OF CAPITAL STRUCTURE**

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (or any other actions which may have an impact on the share capital of the Company, other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the 2023 Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the exercise price of each outstanding Option,

provided that the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares immediately before and after such alteration to the capital structure of the Company shall be the same, rounded to the nearest whole share.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules, provided that:

- (a) any such adjustments shall give an eligible participant the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which the eligible participant was previously entitled, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the auditors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this sub-paragraph(a);
- (b) any such adjustments shall be made on the basis that the aggregate exercise price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;
- (c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the auditors in this paragraph is that of experts and not arbitrators and their certification shall be final and binding on the Company and the grantees in the absence of manifest error. The costs of the auditors shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to in this paragraph, the Company shall, upon receipt of a notice from the grantee, inform the grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the grantee of such fact and instruct the auditors to issue a certificate in that regard in accordance with this paragraph.



**15. CANCELLATION OF OPTIONS**

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice:

- (a) the grantee commits or permits or attempts to commit or permit a breach of restriction of transferability or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.

The Option shall be deemed to have been cancelled with effect from the cancellation date in respect of any part of the Option which has not been exercised as at the cancellation date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case. Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

Where the Company cancels Options granted to an eligible participant, and makes a new grant to the same eligible participant, such new grant may only be made under the 2023 Share Option Scheme with available Scheme Mandate Limit approved by the Shareholders.

**16. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the Allotment Date (as defined under the rules of the 2023 Share Option Scheme) or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Allotment Date.

**17. TERMINATION**

The Company may by resolution in general meeting at any time terminate the operation of the 2023 Share Option Scheme. Upon termination of the 2023 Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the 2023 Share Option



Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant exercise period, subject to and in accordance with the 2023 Share Option Scheme.

#### **18. TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for a transfer to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee for estate planning or tax planning as permitted by the Stock Exchange or under the Listing Rules). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

#### **19. ALTERATION TO 2023 SHARE OPTION SCHEME**

The 2023 Share Option Scheme may be altered in any respect by a resolution of the Board. The following shall not be carried out except with the prior approval of the Shareholders in general meeting by ordinary resolution:

- (a) any alterations to the terms and conditions of the 2023 Share Option Scheme which are material in nature or any alterations to the provisions of the 2023 Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the eligible participants;
- (b) any change to the authority of the Board to alter the terms of the 2023 Share Option Scheme; and
- (c) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the 2023 Share Option Scheme or the Options shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

Any change to the terms of Options granted to an eligible participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholder (as the case may be), except where the changes take effect automatically under the existing terms of the 2023 Share Option Scheme.

**20. CLAWBACK MECHANISM**

In certain circumstances, it may be regarded as inequitable for any Options to be vested or retained (as the case may be). Such Options are therefore subject to Clawback, including but not limited to where there has been a material misstatement or omission in the financial report of the Group or if the relevant grantee has engaged in serious negligence, fraud or misconduct. Notwithstanding any other terms of the 2023 Share Option Scheme, any Options may be subject to Clawback as determined by the Board from time to time. Options granted to Directors and senior management of the Company without Clawback shall be subject to any other requirements under the Listing Rules.

**21. CONDITIONS OF THE 2023 SHARE OPTION SCHEME**

The 2023 Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the shareholders' approval by the Shareholders for the adoption of the 2023 Share Option Scheme at the annual general meeting; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the 2023 Share Option Scheme.

If the permission referred to in the sub-paragraph (b) above is not granted within two calendar months after the Adoption Date:

- (a) the 2023 Share Option Scheme will forthwith terminate;
- (b) any Option granted or agreed to be granted pursuant to the 2023 Share Option Scheme and any offer of such a grant shall be of no effect;
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2023 Share Option Scheme or any Option; and
- (d) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by the Company.

## 22. DEALING RESTRICTIONS

The Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Board shall not grant any Options during the period commencing one month immediately preceding the earlier of:

- (a) 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
- (b) the deadline for the Company to announce 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 announcements.

No Options shall be granted during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Option may be granted.

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any of the securities of the Company (and no Options may be granted to a Director) at any time when he possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

A Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of the Model Code. In any event, the director must comply with the procedure in rules B.8 and B.9 of the Model Code.

NOTICE OF ANNUAL GENERAL MEETING



**Chaowei Power Holdings Limited**

**超威動力控股有限公司**

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

**(Stock code: 951)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Chaowei Power Holdings Limited (the “Company”) will be held at Conference Room 4/F, No. 18, Chengnan Road, Huaxi Industrial Function Area, Changxing County, Zhejiang Province, PRC at 10 a.m. on Tuesday, 6 June 2023 (“AGM”), to consider and, if thought fit, approve the following resolutions:

**ORDINARY RESOLUTIONS**

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditor of the Company for the year ended 31 December 2022;
2. to declare a final dividend of HK\$0.066 per share of the Company for the year ended 31 December 2022;
3. to re-elect a director, Mr. Yang Xinxin as an executive director of the Company (“Director”);
4. to re-elect a director, Ms. Fang Jianjun as a non-executive Director;
5. to re-elect a director, Mr. Ng Chi Kit as an independent non-executive Director;
6. to authorise the board of Directors (the “Board”) to fix the remuneration of the Directors;
7. to re-appoint Ernst & Young as the auditor of the Company and to authorise the Board to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification);

## NOTICE OF ANNUAL GENERAL MEETING

8. “THAT:

- (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “Share”) of US\$0.01 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options and otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution; and
  - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the “Shareholder(s)”)) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of; or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

9. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase (or agree to repurchase) Shares of US\$0.01 each in the capital of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”
  
- 10. “**THAT** conditional on the passing of resolutions numbered 8 and 9 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 8 above be and it is hereby extended by the addition to the aggregate nominal value of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 9 above.”
  
- 11. “**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the ordinary shares of US\$0.01 each in the share capital of the Company (the “Shares”) falling to be issued pursuant to the exercise of any options granted under the 2023 share option scheme of the Company (the “2023 Share Option Scheme”), the terms of which are set out in the document marked “A” produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the 2023 Share Option Scheme be approved and adopted with the Scheme Mandate Limit (as defined in the 2023 Share Option Scheme) of 10 per cent. of the total number of issued Shares as at the date of the passing of this resolution and with effect from the date of the 2023 Share Option Scheme becoming unconditional and coming into effect, the 2020 share option scheme of the Company which was adopted by the Company on 10 June 2020 be terminated and that the Directors be authorised:
  - (a) to grant options thereunder and to allot and issue Shares pursuant to the 2023 Share Option Scheme;
  - (b) to alter and/or modify the 2023 Share Option Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the 2023 Share Option Scheme relating to the alternation and/or modification and subject to Chapter 17 of the Listing Rules;
  - (c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the 2023 Share Option Scheme and subject to the Listing Rules; and

## NOTICE OF ANNUAL GENERAL MEETING

- (d) to take all such steps as may be necessary or desirable to implement such 2023 Share Option Scheme.”
12. “**THAT**, conditional upon the passing of resolution numbered 11, the Service Provider Sublimit (as defined in the 2023 Share Option Scheme) of 2 per cent. of the total number of issued Shares as at the date of the passing of this resolution be and is hereby approved and adopted.”

### SPECIAL RESOLUTION

13. To consider and, if thought fit, to pass the following resolution as a special resolution:

**“THAT:**

- (a) the proposed amendments (the “Proposed Amendments”) to the existing articles of association of the Company, the details of which are set forth in Appendix III to the circular of the Company dated 26 April 2023 (the “Circular”), be and are hereby approved;
- (b) the amended and restated articles of association of the Company (incorporating the Proposed Amendments) (the “New Articles”) in the form of the document marked “A” and produced to this meeting and for the purpose of identification initialed by the chairman of the meeting, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect; and
- (c) any one director, secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Articles and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By Order of the Board  
**Chaowei Power Holdings Limited**  
**ZHOU Mingming**  
*Chairman and Chief Executive Officer*

Changxing, Zhejiang Province, the PRC, 26 April 2023

*As at the date of this notice, the executive Directors are Mr. ZHOU Mingming, Mr. ZHOU Longrui, Ms. YANG Yunfei and Mr. YANG Xinxin; the non-executive Director is Ms. FANG Jianjun; the independent non-executive Directors are Mr. WANG Jiqiang, Prof. OUYANG Minggao, Mr. LEE Conway Kong Wai and Mr. NG Chi Kit.*



## NOTICE OF ANNUAL GENERAL MEETING

*Registered office:*

P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman  
KY1-1205  
Cayman Islands

*Principal place of business in Hong Kong:*

Unit 1308A, 13/F Lippo Sun Plaza  
28 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy needs not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.
3. In order to determine the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Thursday, 1 June 2023 to Tuesday, 6 June 2023, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the right to attend and vote at the meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 31 May 2023.

The transfer books and register of members of the Company, for the purpose of determining the entitlement to the Final Dividend, will be closed from Monday, 12 June 2023 to Wednesday, 14 June 2023, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the Final Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 9 June 2023.

4. In relation to proposed resolutions numbered 8 and 10 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules.
5. In relation to proposed resolution numbered 9 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I to the circular of which this notice of the AGM forms part.

## NOTICE OF ANNUAL GENERAL MEETING

6. In relation to proposed resolutions numbered 11 and 12 above, please refer to Appendix IV to the circular of which this notice of the AGM forms part.
7. In relation to proposed resolution numbered 13 above, please refer to Appendix III in the circular of which this notice of the AGM forms part.
8. In the case of joint holders of a share, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
9. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.