
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you are in any doubt as to any aspect of this circular or as to any 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 Kinetic Development Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



Kinetic Development Group Limited

力量發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1277)

PROPOSAL FOR

- (1) DECLARATION AND PAYMENT OF FINAL DIVIDEND**
- (2) RE-ELECTION OF DIRECTORS**
- (3) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES**
- (4) ADOPTION OF THE 2023 SHARE OPTION SCHEME**
- (5) ADOPTION OF THE 2023 SHARE AWARD SCHEME**
- (6) ADOPTION OF THE NEW MEMORANDUM AND ARTICLES
AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Kinetic Development Group Limited to be held at Small Connaught Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Monday, 22 May 2023 at 3:00 p.m. is set out on pages 122 to 129 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend such meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 3:00 p.m. 20 May 2023) before the time appointed for the holding of such meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at such meeting or any adjourned meeting thereof should you so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kineticme.com).

References to time and dates in this circular are to Hong Kong time and dates.

28 April 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	7
INTRODUCTION	7
DECLARATION AND PAYMENT OF FINAL DIVIDEND	8
CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR ATTENDING THE AGM.	8
RE-ELECTION OF DIRECTORS	8
GENERAL MANDATE AND REPURCHASE MANDATE	9
ADOPTION OF THE 2023 SHARE OPTION SCHEME AND ADOPTION OF THE 2023 SHARE AWARD SCHEME	11
PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES	20
OTHER INFORMATION	23
NOTICE OF AGM	23
VOTING PROCEDURES	23
PROXY	24
RECOMMENDATION	24
RESPONSIBILITY STATEMENT	24
MISCELLANEOUS	25
APPENDIX I — INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION	26
APPENDIX II — EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE	30
APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE 2023 SHARE OPTION SCHEME	34
APPENDIX IV — SUMMARY OF THE PRINCIPAL TERMS OF THE 2023 SHARE AWARD SCHEME	53
APPENDIX V — PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES	70
NOTICE OF ANNUAL GENERAL MEETING	122

DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme previously adopted by the Company on 6 March 2012
“2022 Share Award Scheme”	the share award scheme previously adopted by the Company on 29 November 2022
“2023 Share Award Scheme”	the share award 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
“2023 Share Option Scheme”	the share option scheme (a summary of the principal terms of which is set out in the Appendix III 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 or the 2023 Share Award Scheme will be adopted by the Shareholders
“AGM”	the annual general meeting of the Company to be held at Small Connaught Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Monday, 22 May 2023 at 3:00 p.m.
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Award(s)”	award(s) of the Awarded Shares granted by the Company pursuant to the 2023 Share Award Scheme
“Awarded Shares”	in respect of grantee, such number of Shares subject to an Award as determined by the Board
“Board”	the board of Directors

DEFINITIONS

“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”	the British Virgin Islands
“clawback”	in respect of any Options or Awarded Shares granted to an eligible participant, the repayment of money in relation to all or a specified part of such Options, Option Shares allotted and issued upon exercises of such Options and/or Awarded Shares (as the case may be) by such selected participant and/or the ceasing or variation of the selected participant’s entitlement to receive or be vested with all or a specified part of any such options or awarded Shares which have not yet been vested in the eligible participant
“Close Associates”	has the meaning ascribed thereto in the Listing Rules
“Company”	Kinetic Development Group Limited (力量發展集團有限公司), a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and for the purposes of this circular, means each of King Lok and Mr. Zhang Liang, Johnson
“Director(s)”	the 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

DEFINITIONS

“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 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
“Existing Memorandum and Articles”	the amended and restated memorandum and articles of association of the Company in full force and effect as of the date hereof
“Final dividend”	the proposed final dividend of HK\$0.07 per Share as proposed by the Board on 30 March 2023
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in the manner as set out in resolution no. 9 in the notice of the AGM
“grantee”	any eligible participant who accepts the offer of the grant of an Option or an Award in accordance with the terms of the 2023 Share Option Scheme or 2023 Share Award 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“King Lok”	King Lok Holdings Limited, a BVI business company incorporated under the laws of BVI on 9 December 2009 and a Controlling Shareholder

DEFINITIONS

“Latest Practicable Date”	25 April 2023, being the latest practicable date before the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Memorandum and Articles”	the proposed second amended and restated memorandum and articles of association of the Company with the Proposed Amendments to be adopted by the Shareholders at the AGM
“Option(s)”	option(s) to subscribe for Share(s) granted pursuant to the 2023 Share Option Scheme and for the time being subsisting
“Option Shares”	Shares to which any particular Option relates
“PRC” or “China”	The People’s Republic of China, which for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
“Proposed Amendments”	proposed amendments to the Existing Memorandum and Articles as set out in Appendix V to this circular
“purchase price”	the price (if any) per Share at which a grantee may pay for an Awarded Share pursuant to the 2023 Share Award Scheme
“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)
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 10 in the notice of the AGM

DEFINITIONS

- “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, the 2023 Share Award Scheme and any other schemes of the Company
- “service provider(s)” 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:
- (a) a supplier of goods or services to any member of the Group and its associated companies;
 - (b) a consultant providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry;
 - (c) a business or joint venture partner, franchisee, contractor, agent or representative in the mining industry of any member of the Group and its associated companies;
 - (d) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies ; and
 - (e) an associate of any of the foregoing persons.

For the avoidance of doubt, service provider(s) 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

DEFINITIONS

“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit, 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, the 2023 Share Award Scheme and any other schemes of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of US\$0.001 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“vesting period”	in respect of an Option or an Award, the minimum period for which an Option or an Award must be held before it can be vested as the Board may in its absolute discretion determine
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America
“%”	percent

LETTER FROM THE BOARD



Kinetic Development Group Limited

力量發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1277)

Executive Directors:

Mr. Ju Wenzhong (*Chairman*)
Mr. Li Bo (*Chief Executive Officer*)
Mr. Ji Kunpeng

Non-executive Director:

Ms. Zhang Lin

Independent Non-Executive Directors:

Ms. Liu Peilian
Mr. Chen Liangnuan
Ms. Xue Hui

Registered Office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong:

Unit B, 20/F
Two Chinachem Plaza
68 Connaught Road Central
Hong Kong

Dear Sir/Madam,

PROPOSAL FOR
(1) DECLARATION AND PAYMENT OF FINAL DIVIDEND
(2) RE-ELECTION OF DIRECTORS
(3) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
(4) ADOPTION OF THE 2023 SHARE OPTION SCHEME
(5) ADOPTION OF THE 2023 SHARE AWARD SCHEME
(6) ADOPTION OF THE NEW MEMORANDUM AND ARTICLES
AND
(7) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to proposal for (i) the declaration and payment of a final dividend, (ii) the re-election of Directors, (iii) the granting of the General Mandate and the

LETTER FROM THE BOARD

Repurchase Mandate, (iv) the adoption of the 2023 Share Option Scheme, (v) the adoption of the 2023 Share Award Scheme and (vi) the adoption of the New Memorandum and Articles. A notice of the AGM is set out on pages 122 to 129 of this circular.

DECLARATION AND PAYMENT OF FINAL DIVIDEND

In the annual results announcement of the Company on 30 March 2023, the Board proposed and recommended to pay a final dividend of HK\$0.07 per Share, payable to Shareholders of the Company whose names appear on the register of members of the Company on 12 June 2023, subject to the Shareholder's approval at the AGM. The final dividend, if approved, is expected to be paid in cash on or before Monday, 31 July 2023.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR ATTENDING THE AGM

The register of members of the Company will be closed from Wednesday, 17 May 2023 to Monday, 22 May 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged by holders of the Shares with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 16 May 2023.

RE-ELECTION OF DIRECTORS

Directors to be re-elected

In accordance with Article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Ju Wenzhong (“**Mr. Ju**”), Ms. Zhang Lin (“**Ms. Zhang**”) and Ms. Liu Peilian (“**Ms. Liu**”) shall retire by rotation at the AGM and, being eligible, have offered themselves for re-election as Directors thereat.

LETTER FROM THE BOARD

Further, according to Article 111 of the Articles, any Director appointed by the Board to fill a casual vacancy or 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 re-election. Accordingly, Mr. Ji Kunpeng (“**Mr. Ji**”) shall retire by rotation at the AGM and, being eligible, has offered himself for re-election as Director thereat.

Code provision B.2.3 of Appendix 14 to the Listing Rules provides that the further appointment of an independent non-executive director should be subject to a separate resolution to be approved by shareholders if such independent non-executive director has been serving the company for more than nine years. Ms. Liu was appointed as an independent non-executive Director of the Company on 6 March 2012 and, if she is re-elected at the AGM, she will continue to serve the Company for more than 11 years. A separate resolution for her re-election will therefore be proposed for approval by the Shareholders at the AGM pursuant to code provision B.2.3 of Appendix 14 of the Listing Rules.

Ms. Liu has served as the independent non-executive Director of the Company for more than 11 years and is familiar with the Company’s business. She has also provided the Company with objective, independent and sufficient opinions and analysis from different perspectives and with her professional knowledge and unique experience. Ms. Liu has proved her ability to provide independent, fair and objective opinions on the affairs of the Company by virtue of her personal views, skills and experience. She is also able to promote the diversity of the structure of the Board of the Company in various aspects, including gender, culture, knowledge, educational background, experience and skills. She does not hold seven or more listed company directorship, thus she can give sufficient time and attention to the Company’s affairs. The Board has greatly benefited from her contribution in the past.

In view of the above, and given that Ms. Liu has furnished her independence confirmation under Rule 3.13 of the Listing Rules to the Board and has not engaged in any executive management of the Group, the Board believes that Ms. Liu is independent and should be re-elected.

Information required to be disclosed under the Listing Rules in relation to the Directors for re-election is set out in Appendix I to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

By resolutions of the Shareholders passed on 30 May 2022, the Directors were granted general mandates to issue Shares and to repurchase Shares. Each such mandate will expire at the conclusion of the forthcoming AGM.

LETTER FROM THE BOARD

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any Shares, approval is sought from the Shareholders, pursuant to the Listing Rules, for granting of the General Mandate. In this regard, an ordinary resolution set out as resolution no. 9 in the notice of the AGM will be proposed at the AGM to grant the General Mandate to the Directors to allot and issue new Shares up to an amount not exceeding 20% of the number of issued shares of the Company as at the date of the passing of the resolution. In addition, subject to a separate approval under ordinary resolution no. 11, the number of issued shares purchased by the Company under ordinary resolution no. 10 will also be added to the 20% general mandate as mentioned in the ordinary resolution no. 9.

As at the Latest Practicable Date, there were a total of 8,430,000,000 issued Shares. Assuming that the proposed resolution granting the General Mandate to the Directors is approved, on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the General Mandate to issue a maximum of 1,686,000,000 Shares, without taking into account any additional Shares which may be issued pursuant to the extension mandate as mentioned in the ordinary resolution no.11.

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that purchase of its own securities, without the prior approval of the Stock Exchange.

At the AGM, another ordinary resolution set out as resolution no. 10 in the notice of the AGM will be proposed to the Shareholders that the Directors be granted a Repurchase Mandate to repurchase Shares up to 10% of the number of issued shares of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, there were a total of 8,430,000,000 issued Shares. Assuming that the proposed resolution granting the Repurchase Mandate to the Directors is approved, on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Repurchase Mandate to issue a maximum of 843,000,000 Shares. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

LETTER FROM THE BOARD

ADOPTION OF THE 2023 SHARE OPTION SCHEME AND ADOPTION OF THE 2023 SHARE AWARD SCHEME

Background

The 2012 Share Option Scheme was adopted by the Company on 6 March 2012 and expired on 5 March 2022. No options had ever been granted by the Company under the 2012 Share Option Scheme. Following the expiry of 2012 Share Option Scheme, the Company has no other share option schemes as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company operates the 2022 Share Award Scheme, which allows the Company to grant awards involving existing Shares to eligible participants. No awards had ever been granted by the Company under the 2022 Share Award Scheme. Save for the aforesaid, as at the Latest Practicable Date, the Company does not maintain any other share schemes.

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 or awards to selected 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:

- (i) adopt the 2023 Share Option Scheme; and
- (ii) adopt the 2023 Share Award Scheme pursuant to which only grant of awards involving new Shares may be made.

The adoption of the 2023 Share Option Scheme and the adoption of the 2023 Share Award Scheme are subject to, among others, Shareholders' approval at the AGM.

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

LETTER FROM THE BOARD

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 (including the 2023 Share Award Scheme).

Adoption of the 2023 Share Award Scheme

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

The 2023 Share Award 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 Award Scheme and any other schemes of the Company (including the 2023 Share Option Scheme).

Principal terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme

Purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme

The purposes of the 2023 Share Option Scheme and the 2023 Share Award 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.

The Directors are of the view that the 2023 Share Option Scheme and the 2023 Share Award Scheme are different in nature, and they complement each other in terms of equity incentive, added motivation and increased flexibility. In particular, a grantee under the 2023 Share Option Scheme is required to pay an exercise price to subscribe for the Shares which exercise price must not be less than the closing price of the Shares at the date of grant of Options in accordance with the Listing Rules. On the other hand, a grantee under the 2023 Share Award Scheme may or may not be required to pay a purchase price for the Awarded Shares, and where a purchase price is required, such purchase price is not subject to the same restriction as exercise price of Options under the Listing Rules. Hence, award holders under the 2023 Share Award Scheme may incur less costs and require less funds than option holders under the 2023 Share Option Scheme. As such, the

LETTER FROM THE BOARD

adoption of the 2023 Share Option Scheme and the 2023 Share Award Scheme in parallel will provide the Company with different tools which are more flexible and effective in rewarding the eligible participants and driving their contributions to the Group.

Eligible participants and eligibility

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

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:

- (i) supplier(s) of goods or services to any member of the Group and its associated companies;
- (ii) consultant(s) providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry;
- (iii) business or joint venture partner(s), franchisee(s), contractor(s), agent(s) or representative(s) in the mining industry of any member of the Group and its associated companies;
- (iv) person(s) or entity(ies) that provide(s) design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies ; and
- (v) associate(s) of any of the foregoing person(s).

For the avoidance of doubt, service provider(s) may not include placing agent(s) or financial adviser(s) providing advisory services for fundraising, mergers or acquisitions, as well as professional service provider(s) (such as auditor(s) or valuer(s)) who provide(s) 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, 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 III and Appendix IV to this circular.

LETTER FROM THE BOARD

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 and the 2023 Share Award Scheme is consistent with the purposes of the 2023 Share Option Scheme and the 2023 Share Award 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, and does not have any immediate plan to grant, any options nor awards 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 past and expired share option schemes, as is in line with the industry norm.

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 and awards 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 and/or awards, 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 human resources 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. As such, certain related entity participants have joint involvement in coal extraction projects from time to time. Given the mix of workload, the Company feels that it is important to recognize the contribution or future contribution of such related entity participants by giving them incentive through their participation in the 2023 Share Option Scheme and 2023 Share Award Scheme. In particular, for those related entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these related entities. It is

LETTER FROM THE BOARD

therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2023 Share Option Scheme and 2023 Share Award Scheme to include the related entity participants, who the Company can incentivize with the grant of share options and/or award shares in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the related entities and the group; while the related entities may consider granting share options or award shares to those employees, given that the same employees may be utilized by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant share options and/or award shares to those related entity participants in recognition of their contribution to the Company.

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 and its associated companies; (ii) consultants providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry; (iii) business or joint venture partners, franchisees, contractors, agents or representatives in the mining industry of any member of the Group and its associated companies; (iv) persons or entities that provide design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies; and (v) associates of any of the foregoing persons. 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.

Amongst service providers, suppliers, business or joint venture partners, franchisees, contractors or agents directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These service providers are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, manufacturing, marketing and research and development, and their contribution directly impacts the results of operations of the Group. Service Providers also include advisors and consultants with relevant expertise in fields related to the mining industry such as coal mining technical consultant. Such service providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these service providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of

LETTER FROM THE BOARD

the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products, production management, as well as marketing. The strategic advice and guidance provided by engaging these service providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth.

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 and the 2023 Share Award Scheme is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award 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 and awards (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, the 2023 Share Award Scheme and any other schemes of the Company, and shall not in aggregate exceed 843,000,000 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, the 2023 Share Award Scheme and any other schemes of the Company, and shall not in aggregate exceed 84,300,000, representing 1% 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 and awards will mostly be granted to employee participants but would like to retain the flexibility to grant options and awards to service providers for the reasons mentioned and hence limit such grants to a relatively small portion of the Scheme Mandate Limit, which is 1% of the issued Shares as at the Adoption Date.

LETTER FROM THE BOARD

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 and the 2023 Share Award Scheme.

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 selected participants to achieve the purpose of the 2023 Share Option Scheme.

Purchase price of Awarded Shares

In determining the purchase price (if any) of Awarded Shares, the Board may take into consideration matters including (without limitation) the present contribution and expected contribution of the selected 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.

The Directors are of the view that such room for discretion on purchase price provides the Board with flexibility to stipulate, if necessary, a purchase price for Awarded Shares, while balancing the purpose of the 2023 Share Award Scheme and the interests of Shareholders.

LETTER FROM THE BOARD

Vesting period

The vesting of any Options under the 2023 Share Option Scheme or any Awards under the 2023 Share Award 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 or grant notice (as the case may be). Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the 2023 Share Option Scheme or an Award under the 2023 Share Award Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the Options or Awards granted to employee participants may be less than 12 months under specific circumstances. For details of specific circumstances that the Options or Awards granted to employee participants could be less than 12 months, please refer to clause 7 of Appendix III and clause 6 of Appendix IV to this circular.

The Directors (and the Remuneration Committee in respect of grants of Options or Awards to the Directors and/or senior management) are of the view that the vesting period for Options or Awards granted to employee participants may be less than 12 months under specific circumstances as set out in clause 7 of Appendix III and clause 6 of 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 and the 2023 Share Award Scheme.

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 selected participant to the Option Shares or the Awarded Shares, provided that such condition is communicated to such selected participant at the same time as he is notified of his Option or Award. 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 selected 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 selected participant works or the strategic or business initiatives or projects for which such selected 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.

LETTER FROM THE BOARD

The Directors (and the Remuneration Committee in respect of grants of Options or Awards 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 and the 2023 Share Award Scheme, as each selected 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 and the 2023 Share Award Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected participant(s).

Clawback

Where there has been a material misstatement or omission in the financial report of the Group or if the relevant selected participant has engaged in serious negligence, fraud or misconduct, any Options or Awarded Shares may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time.

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

Terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme

A summary of the principal terms of each of the 2023 Share Option Scheme and the 2023 Share Award Scheme are set out in Appendix III and Appendix IV to this circular respectively. These summaries do not constitute the full terms of the same. A copy of the rules of each of the 2023 Share Option Scheme and the 2023 Share Award Scheme has been published and will remain on the Company's website at www.kineticme.com and Hong Kong Exchanges and Clearing Limited's HKEXnews website at 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.

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, the 2023 Share Award Scheme and any other share scheme(s) of the Company.

LETTER FROM THE BOARD

Assuming that the 2023 Share Option Scheme and the 2023 Share Award Scheme are 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, the 2023 Share Award Scheme and any other share scheme(s) of the Company is 843,000,000, representing 10% of the total number of issued Shares as at the Adoption Date.

PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES

As disclosed in the announcement of the Company dated 30 March 2023, the Board proposed to make certain amendments to the Existing Memorandum and Articles and to adopt the New Memorandum and Articles in order to (i) bring the Existing Memorandum and Articles in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules, (ii) facilitate the holding of electronic general meetings and (iii) 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 any Director appointed by the Board to either fill a casual vacancy on the Board or 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;
2. to provide that an annual general meeting of the Company shall be held in each financial year and such annual general meeting must be held within six (6) months after the end of the Company's financial year (or such longer period as may be authorised by the Stock Exchange);
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 if within twenty-one (21) days of the deposit of requisition by qualified Shareholders to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, the Board fails to proceed

LETTER FROM THE BOARD

to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place of the Company;

5. to provide that the auditor of the Company may be removed by the Shareholders 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;
6. to provide that all the Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the rules of the Stock Exchange, to abstain from voting to approve the matter under consideration;
7. to provide that the financial year end of the Company shall be the 31st day of December in each year, unless otherwise determined by the Directors;
8. to replace all references to “Companies Law” with “Companies Act”, and make corresponding changes to relevant provisions of the Articles, including the replacement of the definition of “Companies Law” with the definition of “Companies Act”.

The following are the major changes to facilitate the holding of electronic general meetings and to bring some other housekeeping improvements:

1. to insert the definitions of “electronic communication”, “electronic meeting”, “hybrid meeting”, “Meeting Location”, “physical meeting” and “Principal Meeting Place” for use in the new provisions in relation to convening and holding of hybrid and electronic meetings;
2. to insert several provisions to facilitate electronic communications and meetings;
3. to insert or amend several provisions to facilitate the holding of hybrid and electronic meetings, including provision 63, 65, 71, 71A-71G;
4. to provide that votes are allowed to be cast by electronic means, and proxy may be submitted electronically;
5. to provide that a notification of consent to written resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of the New Articles;

LETTER FROM THE BOARD

6. to delete the definitions of “Subsidiary” and “Holding Company”, and make corresponding changes to the relevant provisions;
7. to provide that the Board may accept the surrender for no consideration of any fully paid shares;
8. to delete the provision in relation to the maximum price of shares purchased for redemption by the Company not made through the market or by tender as this is no longer a requirement of the Companies Act of the Cayman Islands;
9. to provide that transfer of shares in the manner permitted by the Stock Exchange are allowed even without an instrument of transfer;
10. to provide that the Board may treat a proxy appointment as valid notwithstanding that the appointment or any of the information required has not been received;
11. to provide that capitalisation of reserves are allowed for purposes of any share incentive scheme or employee benefit scheme or other relevant arrangement that has been adopted or approved by the Shareholders at a general meeting;
12. to amend relevant provisions to expand the means of servicing notice or document by the Company, including provisions 180(A) and 180(B);
13. to provide that the Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by the Company by Ordinary Resolution in the annual general meeting and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board;
14. to expand the scope of indemnity to cover past Directors, Managing Directors, alternate Directors, Auditors, Secretary and other officers who shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and
15. to make other miscellaneous amendments to update, modernise or clarify provisions of the Articles where it is considered desirable and to better align the wording with the Listing Rules and the Companies Act.

LETTER FROM THE BOARD

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with 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 V to this circular. The Proposed Amendments and the adoption of the New Memorandum and Articles are subject to the approval of the Shareholders by way of a special resolution at the AGM.

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 2023 Share Option Scheme, the adoption of the 2023 Share Award Scheme and the adoption of the New Memorandum and Articles. As such, none of the Shareholders are required to abstain from voting on the resolutions in relation to the adoption of the 2023 Share Option Scheme, the adoption of the 2023 Share Award Scheme and the adoption of the New Memorandum and Articles.

NOTICE OF AGM

The AGM will be held at Small Connaught Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Monday, 22 May 2023 at 3:00 p.m., at which, inter alia, the resolutions will be proposed to the Shareholders to consider the proposed declaration and payment of the final dividend, the proposed re-election of the Directors, the proposed grant to the Directors of the General Mandate and the Repurchase Mandate, the proposed adoption of the 2023 Share Option Scheme, the proposed adoption of the 2023 Share Award Scheme, and the proposed adoption of the New Memorandum and Articles. The notice of AGM is set out on pages 122 to 129 of this circular.

VOTING PROCEDURES

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

LETTER FROM THE BOARD

PROXY

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kineticme.com). Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours (i.e. 3:00 p.m. 20 May 2023) before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjourned meeting should you so desire.

RECOMMENDATION

The Board believes that the resolutions set out in the notice of AGM including the proposed declaration and payment of the final dividend, the proposed re-election of Directors, the proposed granting of the General Mandate and the Repurchase Mandate, the proposed adoption of the 2023 Share Option Scheme, the proposed adoption of the 2023 Share Award Scheme and the proposed adoption of New Memorandum and Articles are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of all the resolutions as set out in the notice of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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 circular misleading.

Your attention is drawn to additional information as set out in the Appendices.

LETTER FROM THE BOARD

MISCELLANEOUS

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

Yours faithfully,
By Order of the Board
Kinetic Development Group Limited
Ju Wenzhong
Chairman and Executive Director

28 April 2023

APPENDIX I INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION

The particulars of Mr. Ju Wenzhong, Ms. Zhang Lin, Ms. Liu Peilian and Mr. Ji Kunpeng who will offer themselves for re-election at the AGM are disclosed pursuant to Rule 13.74 of the Listing Rules as follows:

I. PROPOSED FOR RE-ELECTION

1. Mr. Ju Wenzhong

Mr. Ju Wenzhong (具文忠), aged 54, is currently the Chairman of the Board and an executive director of the Group. Mr. Ju joined the Group in September 2010, and has been an executive director and the Chief Executive Officer of the Company since 28 May 2020. He has been re-designated as the Chairman of the Board since 16 June 2022. Mr. Ju is fully responsible for leading the production and sales of the Group. He serves in important positions in various companies under the Group.

He obtained a professional qualification in precision machinery from the Department of Mechanical Engineering, Shenzhen University (深圳大學機械系精密機械儀器專業資格) in July 1990. Prior to joining our Group in September 2010, Mr. Ju served as a senior management and director in several companies. He served as the deputy general manager and media sales director of Guangdong One Generation Advertising Co., Ltd. (廣東壹時代廣告有限公司) from January 2000 to December 2002, and was mainly responsible for media sales in Shenzhen and Guangzhou, China. In addition, Mr. Ju served as the general manager of Guangzhou Frasar Advertising Co., Ltd. (廣州菲沙廣告有限公司) during the period from January 2003 to September 2006. He was the general manager and executive director of Guangzhou Universal Networks Co., Ltd. (廣州普及網絡有限公司) from October 2006 to August 2010.

Mr. Ju entered into a service contract with the Company for an initial fixed term of three years with effect from 28 May 2020 and will renew his service contract with effect from 28 May 2023 with a term of three years. He is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles, provided that either party may terminate the service contract by three months' notice. Mr. Ju is entitled to a fixed director's remuneration of RMB3,000,000 per annum plus a discretionary bonus. His remuneration is determined by the Board having regard to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Ju owns 5,497,659 ordinary Shares of the Company within the meaning of Part XV of the SFO, representing approximately 0.07% of the number of issued Shares of the Company.

2. Ms. Zhang Lin

Ms. Zhang Lin (張琳), aged 74, has been a non-executive Director of the Company since 6 March 2012. She graduated from the South China University of Technology (華南理工大學) with bachelor degree in electrical engineering theory and electronic technology in 1982 and served as a teaching assistant and a lecturer at the same university from 1982 to 1993 and was an associate professor from 1993 to 2003, teaching electrical engineering and electronic technology. She has been a non-executive director of Guangzhou R&F Properties Co., Ltd. (廣州富力地產股份有限公司), a company listed on the Stock Exchange, since 2004.

Ms. Zhang is the sister of Mr. Zhang Li, a former Director of the Company in the past 12 months, and the aunt of Mr. Zhang Liang, Johnson, a former Director of the Company in the past 12 months.

Ms. Zhang has renewed her letter of appointment with the Company for an initial fixed term of three years with effect from 6 March 2021 and she is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Under the letter of appointment, Ms. Zhang is entitled to a fixed director's fee of RMB350,000 per annum. Her emolument is determined by the Board having regard to her duties and responsibilities.

As at the Latest Practicable Date, Ms. Zhang does not have any interest in the Company within the meaning of Part XV of the SFO.

3. Ms. Liu Peilian

Ms. Liu Peilian (劉佩蓮), aged 69, has been an independent non-executive Director of the Company since 6 March 2012. She completed her undergraduate education in finance and accounting from Guangzhou Open University (廣州市廣播電視大學) in 1990 and obtained her master's degree in business administration from Murdoch University in Australia in 2002. Ms. Liu is an accountant, a certified public accountant and a certified tax agent in the PRC and has approximately 40 years of experience in finance and accounting. She worked in the Guangzhou Financial Bureau (廣州市財政局) from 1971 to 1985 and held various senior positions with Shu Lun Pan Yangcheng Certified Public Accountants Co., Ltd. (立信羊城會計師事務所有限公司) and its predecessor firms including director, deputy chief accountant and consultant between 1985 to 2009. She has been a consultant of Qinghai Huading Industrial Co., Ltd. (青海華鼎實業股份有限公司), a manufacturer of mechanical products listed on the Shanghai Stock Exchange, since 2010 and an independent director of Keda Industrial Co., Ltd. (廣東科達機電股份有限公司) from 2009 to 2015, another manufacturer of mechanical products listed on the Shanghai Stock Exchange, and GRG Banking Equipment Co., Ltd. (廣州廣電運通金融電子股份有限公司), an automatic teller

APPENDIX I INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION

machine supplier listed on the Shenzhen Stock Exchange, since 2011. Moreover, she has been an independent director of Guangzhou Hongte Accurate Technology Co., Ltd. (廣東鴻特精密技術股份有限公司), a company listed on the Shenzhen Stock Exchange, from 2013 to 2016.

Ms. Liu has renewed her letter of appointment with the Company for an initial fixed term of three years with effect from 6 March 2021 and she is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Under the letter of appointment, Ms. Liu is entitled to a fixed director's fee of RMB350,000 per annum. Her emolument is determined by the Board having regard to her duties and responsibilities.

As at the Latest Practicable Date, Ms. Liu does not have any interest in the Company within the meaning of Part XV of the SFO.

4. Mr. Ji Kunpeng

Mr. Ji Kunpeng (紀坤朋), aged 37, has been an executive director of the Company since 16 June 2022 and is the chairman of Ningxia Kinetic Mining Co., Ltd. (寧夏力量礦業有限公司), primarily fully responsible for the operation and management of the Yongan Mine and Weiyi Mine in Ningxia. Since joining the Group in October 2009, Mr. Ji has held a number of roles as manager and various management positions, including the deputy general manager of Kinetic (Qinhuangdao) Energy Co., Limited (力量(秦皇島)能源有限公司) and the executive deputy general manager of Inner Mongolia Zhunge'er Kinetic Coal Limited (內蒙古准格爾旗力量煤業有限公司). He graduated from Beijing Union University in 2008 with a bachelor's degree in management.

Pursuant to the service contract entered into between the Company and Mr. Ji, Mr. Ji is appointed as an executive Director for an initial term of three years commencing from 16 June 2022, provided that either party may terminate the service contract by three months' notice. The term of service of Mr. Li is subject to retirement by rotation in accordance with the Articles and the Listing Rules. Mr. Ji is entitled to receive a fixed director's remuneration of RMB1,500,000 per annum and a discretionary bonus, which was recommended by the remuneration committee and determined by the Board, with reference to his responsibilities, experience and market rate of director's remuneration of listed companies of comparable size of operation.

Save as disclosed above, Mr. Ji (i) does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company; (ii) does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures within the meaning of Part XV of the SFO; (iii) has not

APPENDIX I INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION

held any position of the Company or any of its subsidiaries; and (iv) has not held directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, there are no other matters that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders or the Stock Exchange.

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate to be granted to the Directors.

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed share repurchase by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction.

Such authority may only continue in force during the period from the passing of the resolution until the earlier of: (i) the conclusion of the next annual general meeting of the company; (ii) the expiry of the period within which the next annual general meeting of the company is required by law to be held; and (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,430,000,000 Shares.

Subject to the passing of the relevant ordinary resolution 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 843,000,000 Shares (representing not more than 10% of the number of issued shares of the Company as at the date of passing the resolution to approve the Repurchase Mandate).

REASONS FOR REPURCHASES

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

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the applicable laws and regulations of the Cayman Islands, any repurchase by the Company may be made out of the profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the applicable laws and regulations of the Cayman Islands, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles and subject to the provisions of the applicable laws and regulations of the Cayman Islands, out of capital.

On the basis of the current financial position of the Company as disclosed in its annual results announcement on 30 March 2023 and taking into account the Company's current working capital position, the Directors consider that, if the Repurchase Mandate is exercised in full, it may have a material adverse effect on the Company's working capital and/or gearing position as compared with the position disclosed in this annual results announcement. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their Close Associates, currently intends to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

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

As at the Latest Practicable Date, King Lok directly held 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company. Mr. Zhang Liang, Johnson, by virtue of his interest in King Lok, was deemed to be interested in the said 5,307,450,000 Shares. King Lok is held as to 100% by Mr. Zhang Liang, Johnson. Accordingly, each of King Lok and Mr. Zhang Liang, Johnson is interested in 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company.

In the event that the Directors should exercise in full the Repurchase Mandate, the effective interests of King Lok in the issued share capital of the Company would be increased to approximately 69.95%, and the effective interests of Mr. Zhang Liang, Johnson in the issued share capital of the Company would be increased to approximately 69.95%. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for King Lok or Mr. Zhang Liang, Johnson to make a mandatory offer. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

The Listing Rules prohibit a company from repurchase of shares on the Stock Exchange if the result of the repurchase would be that the company's public float will fall below 25%. The Directors do not intend to repurchase Shares to such an extent that the public float of the Company will fall below 25%.

SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the last twelve months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	0.69	0.59
May	0.62	0.58
June	0.64	0.55
July	0.61	0.57
August	0.73	0.56
September	0.72	0.61
October	0.67	0.57
November	0.69	0.55
December	0.68	0.60
2023		
January	0.67	0.58
February	0.65	0.60
March	0.66	0.61
April (up to the Latest Practicable Date)	0.66	0.62

No repurchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

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 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 1% 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 of the Company, 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

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 of the Company 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 of the Company 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 of the Company 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.

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;
- (f) grants of Options with a total vesting and holding period of more than 12 months; and
- (g) such other circumstances as specified in clause 13 of this Appendix.

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 HKD1.00 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 lapse or be exercised by the grantee at any time during the exercise period, subject to the minimum 12-month vesting requirement as required under Rule 17.03F of the Listing Rules (for related entity participant(s) and service provider(s)), 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 of the Company 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 of the Company (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 members 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 members 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 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 member of the Company 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 (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 utilized 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 of the Company.

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 of the Company 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 of the Company, the independent non-executive directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive directors and/or the shareholder of the Company (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 pursuant to the Company's policy on clawback, as amended 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.

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

1. PURPOSE OF THE 2023 SHARE AWARD SCHEME

The purposes and objectives of the 2023 Share Award 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 Award 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 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 Award 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 Award Scheme and any other schemes of the Group, and shall not in aggregate exceed 1% of the Shares in issue as at the Adoption Date.

Options or awards lapsed in accordance with the rules of the 2023 Share Award 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 of the Company, 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 Award 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

Where any grant of Awards 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 of the Company 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 Award Scheme and the Listing Rules.

5. GRANTS OF AWARDS 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 Awards 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 Award);
- (b) where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted under the 2023 Share Award Scheme and any other schemes of the Company (excluding any awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) to such person in the 12-month period up to and including

the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares, such grant of awards shall be approved by Shareholders in general meeting in the manner as set out in sub-paragraph (d) below;

- (c) where any grant of Awards 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 Award 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 Awards shall be approved by shareholders of the Company in general meeting in the manner as set out in sub-paragraph (d) below;
- (d) in the circumstances described in sub-paragraphs (b) and (c) 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;
- (e) any change in the terms of Awards 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 of the Company in the manner as set out in sub-paragraph (d) above if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the existing terms of the 2023 Share Award Scheme); and
- (f) 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. VESTING PERIOD

The vesting of any Award 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.

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

- (a) grants of “make-whole” Awards to new joiners to replace the share Awards they forfeited when leaving the previous employers;
- (b) grants of Awards to an employee participant whose employment is terminated due to death or disability or uncontrollable event. In those circumstances, the vesting of an Award may accelerate;
- (c) grants of Awards with performance-based vesting conditions provided in these rules of the 2023 Share Award Scheme in lieu of time-based vesting criteria;
- (d) grants of Awards made in batches during a year for administrative and compliance reasons (may include Awards 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 Award would have been granted);
- (e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months;
- (f) grants of Awards with a total vesting and holding period of more than 12 months; and
- (g) such other circumstances as specified in clause 12 of this Appendix.

7. PERFORMANCE TARGETS

Subject to the provisions of the Listing Rules and the 2023 Share Award 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 Awarded Shares provided that such condition is communicated to such eligible participant at the same time as he is notified of his Award pursuant to terms of the 2023 Share Award 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.

8. AMOUNT PAYABLE ON ACCEPTANCE OF THE AWARD AND PAYMENT PERIOD

None.

9. PURCHASE PRICE

In determining the purchase price (if any) of Awarded Shares under any Award 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.

10. CERTAIN RIGHTS ATTACHING TO THE SHARES AND THE AWARDS

No grantee shall enjoy any rights of a shareholder by virtue of the grant of an Award pursuant to the 2023 Share Award Scheme, unless and until Shares are actually issued/transferred to the grantee pursuant to the vesting of an Award. The Awards 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/transferred upon the vesting of an Award shall not carry rights until the registration of the grantee (or any other person so permitted pursuant to the 2023 Share Award Scheme) as the holder thereof.

11. LIFE OF THE 2023 SHARE AWARD SCHEME

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

12. LAPSE OF AWARDS

An Award shall lapse automatically on the earliest of:

- (a) the acceptance date if the award is not accepted by the eligible participant on or before the acceptance date;
- (b) the date of the commencement of the winding-up of the Company;
- (c) 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;
- (d) 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 Award Scheme; or
- (e) 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 Award, 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 Award was granted, an Award may lapse or vest, subject to the minimum 12-month vesting requirement as required under Rule 17.03F of the Listing Rules (for related entity participant(s) and service provider(s)), as follows:

- (a) in the event that the grantee dies or becomes permanently disabled, any Awards not yet vested shall immediately lapse, unless the Board determines otherwise at its absolute discretion;
- (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, any Awards not yet vested shall continue to vest in accordance with the vesting date set out in the grant letter, unless the Board determines otherwise at their absolute discretion;

- (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), any Awards not yet vested shall continue to vest in accordance with the vesting date set out in the grant letter, unless the Board determines otherwise at their absolute discretion;
- (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, any Awards not yet vested shall immediately lapse, unless the Board determines otherwise at their absolute discretion;
- (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, any Awards not yet vested 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), unless the Board determines otherwise at their absolute discretion;
- (f) if a grantee being:
 - (i) an executive Director of the Company ceases to be an executive director or senior management of the Group but remains a non-executive Director, any Awards not yet vested shall continue to vest in accordance with the vesting date set out in the grant letter, unless the Board determines otherwise at their absolute discretion; 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, any Awards not yet vested shall continue to vest in accordance with the vesting date set out in the grant letter, unless the Board determines otherwise at their absolute discretion; or

(2) for reasons other than Non-Executive Director retirement, any Awards not yet vested shall immediately lapse, unless the Board determines otherwise at their absolute discretion;

(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 Award or which were the basis on which the Award was granted,

any Awards not yet vested shall immediately 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)), unless the Board determines otherwise at their absolute discretion;

(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,

any Awards not yet vested shall immediately 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), unless the Board determines otherwise at their absolute discretion;

(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,

any Awards not yet vested shall immediately 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), unless the Board determines otherwise at their absolute discretion;

(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 of the Company (in the case of a scheme of arrangement), any Awards not yet vested shall be vested on such time and date as shall be notified by the Company.

13. ADJUSTMENT IN ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the 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 Award Scheme; and/or
- (b) the aggregate number of Shares subject to the Award so far as unvested; and/or
- (c) the purchase price (if any) of each unvested Awarded Share,

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 purchase price payable by the grantee on the full vesting of any Award 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.

14. CANCELLATION OF AWARDS

The Board shall be entitled for the following causes to cancel any Award in whole or in part by giving notice in writing to the grantee stating that such Award 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 Award;
- (b) the grantee makes a written request to the Board for the Award 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 Award shall be deemed to have been cancelled with effect from the cancellation date in respect of any part of the Award which has not been vested 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. Awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

Where the Company cancels Awards 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 Award Scheme with available Scheme Mandate Limit approved by the shareholders of the Company.

15. RANKING OF SHARES

The Shares to be allotted upon the vesting of an Award 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 Award 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.

16. TERMINATION

The Company may by resolution in general meeting at any time terminate the operation of the 2023 Share Award Scheme. Upon termination of the 2023 Share Award Scheme as aforesaid, no further Awards shall be granted but the provisions of the 2023 Share Award Scheme shall remain in force and effect in all other respects. All Awards granted prior to such termination and not then vested shall continue to be valid and be vested upon expiry of the relevant vesting period, subject to and in accordance with the 2023 Share Award Scheme.

17. TRANSFERABILITY OF AWARDS

An Award 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 Award 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 Award or part thereof granted to such grantee.

18. ALTERATION TO 2023 SHARE AWARD SCHEME

The 2023 Share Award 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 of the Company in general meeting by ordinary resolution:

- (a) any alterations to the terms and conditions of the 2023 Share Award Scheme which are material in nature or any alterations to the provisions of the 2023 Share Award 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 Award Scheme; and
- (c) any alteration to the aforesaid alteration provisions,

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

Any change to the terms of Awards granted to an eligible participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee of the Company, the independent non-executive directors and/or the shareholder of the Company (as the case may be), except where the changes take effect automatically under the existing terms of the 2023 Share Award Scheme.

19. CLAWBACK MECHANISM

In certain circumstances, it may be regarded as inequitable for any Awards to be vested or retained (as the case may be). Such Awards 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 Award Scheme, any Awards may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time. Awards granted to Directors and senior management of the Company without clawback shall be subject to any other requirements under the Listing Rules.

20. CONDITIONS OF THE 2023 SHARE AWARD SCHEME

The 2023 Share Award 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 Award 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 in accordance with the terms and conditions of the 2023 Share Award 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 Award Scheme will forthwith terminate;
- (b) any Award granted or agreed to be granted pursuant to the 2023 Share Award 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 Award Scheme or any Award; and
- (d) the Board may further discuss and devise another share Award scheme that is applicable to a private company for adoption by the Company.

21. TRUSTEE

Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board may from time to time appoint one or more trustees in respect of granting, administration or vesting of any Awarded Shares or and may determine the terms and conditions of any such appointment.

If a trustee is so appointed, the trustee shall not exercise the voting rights in respect of any Shares held under the trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom). In particular, the Trustee holding unvested Shares, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

22. DEALING RESTRICTIONS

The Board shall not grant any Awards 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 Awards during the period commencing one month immediately preceding the earlier of:

- (c) 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
- (d) 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 Awards 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 Award 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 Awards 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 Awards 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.

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 Memorandum and Articles. If the serial numbering of the clauses of the Existing Memorandum and 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 Existing Memorandum and Articles as so amended shall be changed accordingly, including cross-references.

Note: The second amended and restated articles of association of the Company 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.

Provisions in the New Memorandum

Clause No. (showing changes to the existing Memorandum)

1. The name of the Company is ~~Kinetic Mines and Energy Limited~~ 力量礦業能源有限公司 Kinetic Development Group Limited 力量發展集團有限公司,
5. If the Company is registered as an exempted company as defined in the Cayman Islands Companies ~~Law~~ Act, it shall have the power, subject to the provisions of the Cayman Islands Companies ~~Law~~ Act and with the approval of a special resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.

Provisions in the New Articles (showing changes to the existing Articles and the parts without changes in the following provisions are shown in “...”)

Clause No.

1. (a) Table “A” of the Companies ~~Law (2011 Revision)~~ Act (as defined in this Article 1) shall not apply to the Company.
1. (b) ...

In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

...

~~“Associates” shall have the meaning as defined in the Listing Rules;~~

...

“clear days” in relation to the period of a notice that period excluding the day when the notice is given and the day for which it is given or on which it is to take effect;

“Clearing House” means a clearing house recognized by the laws of the jurisdiction in which the Shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction including but not limited to HKSCC;

“Close Associates” in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Bye-law 107 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;

“Companies Law Act” means the Companies Act, (2022 Revision), 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 the Companies Law (2011 Revision) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;

“Companies Ordinance” means the Companies Ordinance, Cap. ~~326~~22 of the Laws of Hong Kong as amended from time to time;

...

“Company’s website” shall mean the website of the Company to which any shareholder may have access, the address or domain name of which has been notified to the shareholders at the time the Company seeks the relevant shareholder’s consent for the purposes of Article 180(B) or, as subsequently amended by notice given to the shareholders in accordance with Article 180;

...

"electronic communication" shall mean a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic means in any form through any medium;

"electronic meeting" shall mean a general meeting held and conducted wholly and exclusively by virtual attendance and participation by shareholders and/or proxies by means of electronic facilities;

...

"HKSCC" shall mean Hong Kong Security Clearing Company Limited;

~~"Holding Company" has the meaning ascribed to it by Section 2 of the Companies Ordinance;~~

...

"hybrid meeting" shall mean a general meeting convened for the (i) physical attendance by shareholders and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by shareholders and/or proxies by means of electronic facilities;

...

"Meeting Location" has the meaning given to it in Article 71A;

...

"Notice" shall mean written notice unless otherwise specifically stated and as further defined in these Articles;

...

"physical meeting" shall mean a general meeting held and conducted by physical attendance and participation by shareholders and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations;

"Principal Meeting Place" shall have the meaning given to it in Article 65;

...

"Registered Office" means the registered office of the Company for the time being as required by the Companies Law Act;

...

"Statutes" shall mean the Companies Act and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles;

"Subsidiary" has the meaning ascribed to it by Section 2 of the Companies Ordinance;

"substantial shareholder" shall mean 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 Listing Rules) of the voting power at any general meeting of the Company;

...

”writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form, and including where the representation takes the form of electronic display, provided that the same is available for download onto a user’s computer or for printing through conventional small office equipment or is placed on the Company’s website and, in each case, the shareholder concerned (where the relevant provision of these Articles require the delivery or service of any document or notice on him in his capacity as shareholder) has elected for the receipt of the relevant download or notice through electronic means and both the mode of service of the relevant document or notice and the shareholder’s election comply with all applicable laws and regulations and the requirements of the stock exchange of the Relevant Territory.

In these Articles, unless there be something in the subject or context inconsistent herewith:

...

(iii) subject to the foregoing provisions of this Article, any words or expressions defined in the Companies Law Act (except any statutory modification thereof not in force when these Articles become binding on the Company) shall bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; and

1. (c) ~~At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ three-fourths of the votes cast by such Shareholders as, being entitled so to do, vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which not less than 21 days' notice, specifying (without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, at a general meeting of which Notice has been duly given in accordance with Article 65. Provided that, except in the case of an annual general meeting if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95 % in nominal value of the Shares giving that right (or, in the case of an annual general meeting, by all Shareholders of the Company having that right), a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given.~~
- (d) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such Shareholders as, being entitled so to do, vote in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting held in accordance with these Articles and of which ~~not less than 14 days' n~~Notice has been duly given in accordance with Article 65.
- (e) ...
- (f) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

- (g) A reference to a meeting: shall mean a meeting convened and held in any manner permitted by these Articles and any Shareholder or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly.
- (h) References to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly.
- (i) References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.
- (j) References to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise).
- ~~(k)~~ Section 8 and Section 19 of the Electronic Transactions Act (2003 Revision) 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.

5. (a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Law Act, be varied or abrogated either with the consent in writing of the holders of not less than $\frac{3}{4}$ 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 the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than 2 persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or representing by proxy one-third in nominal value of the issued Shares of that class, that the quorum for any meeting adjourned for want of quorum shall be 2 Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) ~~and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.~~
- (b) ...
- (c) ...
- ~~(e)~~(d) No share shall be issued to bearer.
8. Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Law Act and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.

11. (a) All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount to their nominal value. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies ~~Law~~Act, if and so far as such provisions may be applicable thereto.
12. (a) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies ~~Law~~Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
- (b) If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies ~~Law~~Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.

13. The Company may from time to time by Ordinary Resolution:
- (a) ...
 - (b) ...
 - (c) ...
 - (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies ~~Law~~Act, and so that the resolution whereby any Share is sub-divided may 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 or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;

15. (a) ~~Subject to the Companies Law Act, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercisable by the Directors upon such terms and subject to such conditions as they think fit. The Directors may accept the surrender for no consideration of any fully paid shares. or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which expression as used in this Article includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an Ordinary Resolution of the Shareholders, and to purchase or otherwise acquire warrants and other securities for the subscription or purchase of its own Shares, and shares and warrants and other securities for the subscription or purchase of any shares in any company which is its Holding Company and may make payment therefor in any manner and terms authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a Holding Company of the Company and should the Company purchase or otherwise acquire its own Shares or warrants or other securities neither the Company nor the Board shall be required to select the Shares or warrants or other securities to be purchased or otherwise acquired rateably or in any other manner and terms as between the holders of Shares or warrants or other securities of the same class or as between them and the holders of Shares or warrants or other securities of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the HK Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.~~

- (b) (i) Subject to the provisions of the Companies LawAct and the Memorandum 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, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- (ii) ~~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, and if purchases are by tender, tenders shall be available to all Shareholders alike.~~[INTENTIONALLY DELETED]
17. (a) The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies LawAct.
- (b) Subject to the provisions of the Companies LawAct, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its Hong Kong register of Shareholders in Hong Kong.
- (c) The Register and branch register of shareholders, as the case may be, shall be open to inspection for at least two (2) hours during business hours by shareholders without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the Directors, at the Registered Office or such other place at which the principal register or branch register of the Company maintained in Hong Kong is kept in accordance with the Companies Act or, if appropriate, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Directors at the Registration Office. ~~During the Relevant Period (except when the Register is closed), any Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.~~

- (d) ~~The Register may be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.~~ 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 the HK Stock Exchange or by any electronic means in such manner as may be accepted by the HK 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.
18. (a) Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies Law Act or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

39. Subject to the Companies ~~Law~~Act, all transfers of Shares shall be effected by transfer in writing in the usual or common form or (during the Relevant Period) in such standard form prescribed by the stock exchange in the Relevant Territory or in such other form as the Board may accept provided always that it ~~shall be in such a form prescribed by the HK Stock Exchange~~ and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
41. (a) ...
- (b) ...
- (c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies ~~Law~~Act.
- (e)(d) Notwithstanding the provisions of Articles 39 and 40 above, at all times during the Relevant Period, title to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.

47. ~~The registration of transfers may be suspended when the Register is closed in accordance with Article 17(d). The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of the HK Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Directors may determine. The period of thirty (30) days may be extended in respect of any year if approved by the Shareholders by Ordinary Resolution.~~
62. ~~At all times during the Relevant Period other than the year of the Company's adoption of these Articles, the Company shall in each financial year hold a general meeting as its annual general meeting in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it; and such annual general meeting must be held within six (6) months after the end of the Company's financial year not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.~~
63. All general meetings other than annual general meetings shall be called extraordinary general meetings. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in the Relevant Territory or in any part of the world and at one or more locations as provided in Article 71A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened and resolutions shall be added to the agenda of such meeting on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within ~~two~~ Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place ~~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.
65. An annual general meeting of the Company ~~and an extraordinary general meeting called for the passing of a Special Resolution shall~~ must be called by Notice of at least 21 clear days' notice in writing, and a All other general meetings of the Company other than an annual general meeting or an extraordinary general meeting for the passing of a Special Resolution shall must be called by Notice of at least 14 clear days' notice in writing. The notice ~~shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, (a) the day, and the hour and the agenda of the meeting (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 71A the principal place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:~~

- (a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, subject to the Listing Rules, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together ~~holding~~ representing not less than 95% in nominal value of the Shares giving that right of the total voting rights at the meeting of all the Shareholders.

68. For all purposes the quorum for a general meeting shall be 2 Shareholders present in person (or, in the case of a Shareholder 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, and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting.

70. ~~The Chairman (if any) of the Board or if he is absent or declines to take the chair at such meeting, the Vice Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Vice Chairman, or, if at any general meeting neither of such Chairman or Vice Chairman is present within 15 minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as Chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the Shareholders present shall choose one of their number to be Chairman of the meeting. The Chairman of the Board or, if there is more than one Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. If at any meeting no chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the Deputy Chairman or Vice Chairman or if there is more than one Deputy Chairman or Vice Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no Chairman or Deputy Chairman or Vice Chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.~~
71. Subject to Article 71C, The Chairman of the meeting may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least 7 clear days' notice, specifying the details set out in Article 65 place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no notice of an adjournment or of the business to be transacted at any adjourned meeting needs to be given nor shall any Shareholder be entitled to any such notice. No business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

71A. (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“Meeting Location(s)”) determined by the Board at its absolute discretion. Any Shareholder or any proxy attending and participating in such way or any Shareholder or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

All general meetings are subject to the following and, where appropriate, all references to a “Shareholder” or “Shareholders” in this sub-paragraph (2) shall include a proxy or proxies respectively:

(a) where a shareholder is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

- (b) Shareholders present in person or by proxy at a Meeting Location and/or shareholders attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that shareholders at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
- (c) where Shareholders attend a meeting by being present at one of the Meeting Locations and/or where Shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more shareholders or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting.
- (d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

- 71B. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Shareholder who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Shareholder so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.
- 71C. If it appears to the chairman of the general meeting that:
- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 71A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or
 - (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
 - (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
 - (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

71D. The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Shareholders shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

71E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the shareholders. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the shareholders of details of such change in such manner as the Board may determine;
- (c) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 71, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the shareholders of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and
- (d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the shareholders.

71F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 71C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

71G. Without prejudice to other provisions in Article 71, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

72. (1) At any general meeting a resolution put to the vote of the meeting shall be decided a poll save that the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Shareholder present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to the Shareholders; and (ii) relate to the Chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Shareholders a reasonable opportunity to express their views.
- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded ~~on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded or otherwise required under the Listing Rules. A poll may be demanded by:~~
- (a) the Chairman of the meeting; or
 - (b) at least ~~two~~ two Shareholders present in person ~~(or, in the case of a Shareholder being a corporation, by its duly authorised representative)~~ or by proxy for the time being entitled to vote at the meeting; or
 - (c) any Shareholder or Shareholders present in person ~~(or, in the case of a Shareholder being a corporation, by its duly authorised representative)~~ or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

- (d) any Shareholder or Shareholders present in person (~~or, in the case of a Shareholder being a corporation, by its duly authorised representative~~) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.
- (~~d~~) A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Shareholder.
- 79B. All Shareholders shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.
80. Any person entitled under Article 51 to be registered as the holder of any Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting or postponed meeting (as the case may be) at which he proposes to vote, he shall satisfy the Board of his right to be registered as the holder of such Shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
84. No objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting or postponed meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.

88. (i) Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.

(ii) The instrument appointing a proxy and, if requested by the Board, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registration Office), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than 48 hours before the time for holding the meeting or adjourned meeting or postponed meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 Months from the date of its execution, except at an adjourned meeting or postponed meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within 12 Months from such date. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person (or in the case of a Shareholder being a corporation, its duly authorised representative) at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

90. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to demand or join in demanding a poll and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit; and (ii) unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.

91. A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the Share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its Registration Office, or at such other place as is referred to in Article 88, at least 2 hours before the commencement of the meeting or adjourned meeting or postponed meeting at which the proxy is used.
92. (a) ...
- (b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders 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. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, 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.

93. Unless the Board agrees otherwise, an appointment of a corporate representative shall not be valid as against the Company unless:
- (a) in the case of such an appointment by a Shareholder which is a Clearing House (or its nominee(s)), a written notification of the appointment issued by any director, the secretary or any authorised officer(s) of such Shareholder shall have been delivered at such place or one of such places (if any) as is specified in the notice of meeting or in the form of notice issued by the Company, or handed to the Chairman of the meeting at the meeting or, if no place is specified, at the principal place of business maintained by the Company in the Relevant Territory from time to time before the time of holding the meeting or adjourned meeting or postponed meeting at which the person so authorised proposes to vote or handed to the Chairman of the meeting at the meeting; and
 - (b) in the case of such an appointment by any other corporate Shareholder, a copy of the resolution of its directors or other governing body of the Shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the Shareholder's constitutive documents and a list of directors or members of the governing body of the Shareholder as at the date of such resolution, or, as the case may be, power of attorney, in each case certified by a director, secretary or a member of the governing body of that Shareholder and notarised, or, in the case of a form of notice of appointment issued by the Company as aforesaid, completed and signed in accordance with the instructions thereon or in the case of a power of attorney a notarised copy of the relevant authority under which it was signed, shall have been deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the form of notice issued by the Company as aforesaid (or, if no place is specified, at the Registration Office) not less than 48 hours before the time for holding the meeting or adjourned meeting or postponed meeting or poll (as the case may be) at which the corporate representative proposes to vote.

96. The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies ~~Law~~Act.
104. (a) ...
- (b) The Company shall not make any loan, directly or indirectly, to a Director or his Close Associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong. Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:
- (i) ~~make a loan to a Director or a director of any Holding Company of the Company or any of their respective Associates;~~
- (ii) ~~enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Associates; or~~
- (iii) ~~if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.~~

107. (a) ...
- (b) ...
- (c) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his Close Associate(s) is materially interested ~~has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution)~~, 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 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 shareholder or in which the Director or his Associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his Associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associate(s) is derived) or of the voting rights;
- ~~(iv)~~(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 both to Directors, his Close Associates and employees 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; and
- ~~(v)~~(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

~~A company shall be deemed to be a company in which a Director and/or his Associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his Associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his Associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his Associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his Associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his Associate(s) is/are interested only as a unit holder.~~

~~Where a company in which a Director and/or his Associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his Associate(s) shall also be deemed materially interested in such transaction.~~

(d) ...

(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his Close Associates or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his Close Associates concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting or his Close Associates such question shall be decided by a resolution of the Board (for which purpose ~~such~~the Chairman of the meeting shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of ~~such~~the Chairman of the meeting or his Close Associates as known to him has not been fairly disclosed to the Board.

111.

...

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy ~~shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.~~ Any 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 re-election.

112.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office provided that such notices must be lodged with the Company at least fourteen (14) days prior to the date of the general meeting of election but no earlier than the day after despatch of the notice of the general meeting appointed. ~~The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.~~

113.

The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any person so elected shall hold office only until the ~~next~~first annual general meeting of the Company after his appointment and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

115. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular but subject to the provisions of the Companies LawAct, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
118. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies LawAct, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies LawAct with regard to the registration of mortgages and charges as may be specified or required.
124. The Board may from time to time entrust to and confer upon a Chairman, Vice Chairman or Deputy Chairman, Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and, subject to the terms thereof, the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.
126. The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies LawAct expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies LawAct and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

131. The Board may from time to time elect or otherwise appoint one or more of them to the office of Chairman of the Company and another to be the Vice Chairman or Deputy Chairman (or two or more Vice Chairmen or Deputy Chairmen) and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Vice Chairman or Deputy Chairman shall preside as chairman at meetings of the Board, but if no such Chairman or Vice Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Vice Chairman or Deputy Chairman is not present within 5 minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be chairman of such meeting. All the provisions of Articles 103, 108, 123, 124 and 125 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Article.
132. The Board may meet together for the despatch of business, adjourn, postpone and otherwise regulate its meetings and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined 2 Directors shall be a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum separately in respect of himself (if a Director) and in respect of each Director for whom he is an alternate and his voting rights shall be cumulative and he need not use all his votes or cast all his votes in the same way. A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

133. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board which may be held in any part of the world, but no such meeting shall be summoned to be held outside the territory in which the Head Office is for the time being situate without the prior approval of the Board. Notice thereof shall be given to each Director and alternate Director in person orally or in writing or by telephone or by electronic communication ~~telex or telegram or facsimile transmission at the telephone or facsimile number or address from time to time notified to the Company by such Director~~ or in such other manner as the Board may from time to time determine. A Director absent or intending to be absent from the territory in which the Head Office is for the time being situate may request the Board or the Secretary that notices of Board meetings shall during his absence be sent in writing to him at his last known address, facsimile or telex number or any other address, facsimile or telex number given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to the other Directors not so absent and in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from such territory.
142. (a) A resolution in writing signed by all the Directors (or their respective alternate Directors) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Article. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

144. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies LawAct or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.
145. The Secretary shall attend all meetings of the Shareholders 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 Companies LawAct and these Articles, together with such other duties as may from time to time be prescribed by the Board.
146. A provision of the Companies 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.
147. (a) Subject to the Companies LawAct, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.

- 153.
- (a) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies Law Act) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

 - (b) Subject to the Companies Law Act, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

- (c) The provisions of paragraph (e) of Article 160 shall apply to the power of the Company to capitalise under this Article as it applies to the grant of election thereunder mutatis mutandis and no Shareholder who may be affected thereby shall be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power.
- (d) Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Shareholders at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Shareholders at a general meeting.

154. Subject to the Companies Law Act and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.

156. (a) No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies LawAct.
- (b) Subject to the provisions of the Companies LawAct but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
171. The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies LawAct.
172. The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies LawAct necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.
174. No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies LawAct or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

176. (a) The Company shall by Ordinary Resolution at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by ~~or on the authority of the Company~~ by Ordinary Resolution in the annual general meeting ~~except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board~~ and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~Ordinary Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.
180. (A) (i) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a shareholder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:
- (a) by serving it personally on the relevant person; or
- (b) by sending it through the post in a prepaid envelope addressed to such shareholder at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose; or
- (c) by delivering or leaving it at such address as aforesaid; or

- (d) by placing an advertisement in appropriate Newspapers or other publication and where applicable, in accordance with the requirements of the stock exchange in the Relevant Territory; or
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 180(A)(v), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person; or
- (f) by publishing it on the Company’s website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations. Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies Law and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.

- (ii) The notice of availability may be given to the shareholder by any of the means set out above other than by posting it on a website. ~~Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Law and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.~~
- (iii) 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. ~~Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.~~

- (iv) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (v) Every shareholder or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.
- (vi) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles 175(b), 172(c) and 180 may be given in the English language only or in both the English language and the Chinese language.
- (B) Any Notice or other document:
- (i) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Directors that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof; ~~Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Head Office or Registered Office.~~

- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the stock exchange in the Relevant Territory, is deemed given by the Company to a shareholder on the day following that on which a notice of availability is deemed served on the shareholder;~~The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.~~
- (iii) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;
- (iv) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Directors as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (v) if published as an advertisement in a Newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.

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

- (c) If on ~~three~~ consecutive occasions notices or other documents have been sent through the post to any Shareholder (or, in the case of joint holders of a share, the first holder named on the register) at his registered address or by electronic means to his electronic address or website (in the event that the shareholder concerned has elected for service of any notice or document at this electronic address or website pursuant to Article 180(v)) but have been returned undelivered, such Shareholder (and, in the case of joint holders of a Share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Board may elect otherwise pursuant to paragraph (b) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address for the service of notices on him.
- (d) Notwithstanding any election by a shareholder, if the Company is advised that the sending of any notice or other document to any electronic address supplied by a shareholder may or might infringe the law of any relevant jurisdiction, or if the Company cannot verify the location of the server at which the electronic address of the shareholder located, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the shareholder concerned, place the same on the Company's website, and any such placement shall be deemed effective service on the shareholder, and the relevant notice and document shall be deemed to be served on the shareholder on which the same is first placed on the Company's website.
- (e) Notwithstanding any election by a shareholder from time to time to receive any notice or document through electronic means, such shareholder may, at any time require the Company to send to him, in addition to an electronic copy thereof a printed copy of any Notice or document which he, in his capacity as shareholder, is entitled to receive.

182. Any ~~an~~ Notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic transmission ~~means (including through any relevant system)~~, shall be deemed to have been given on the day ~~following that~~ on which the ~~electronic communication~~ Notice was sent by or on behalf of the Company. Any ~~an~~ Notice or document served or delivered by the Company by any other means authorised in writing by the Shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on ~~at~~ the Company's website shall be deemed to have been served or delivered on the day it was so published except where the document is the Company's directors' report, annual financial statements or auditors' report and, where applicable, summary financial statement, then such document shall be deemed to be served on the day following that on which a Notice of publication is deemed served on the shareholder.
183. A ~~an~~ Notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, metal disorder, bankruptcy or winding up had not occurred.

185. Any ~~h~~Notice or document delivered or sent by post to, or left at the registered address of any Shareholder in pursuance of these Articles, shall notwithstanding that such Shareholder be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have duly served in respect of any registered Shares whether held solely or jointly with other persons by such Shareholder until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such Shares.
188. Subject to the Companies ~~L~~awAct, a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.
190. If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies ~~L~~awAct, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.

191. The Directors, Managing Directors, alternate Directors, Auditors, Secretary and other officers ~~for the time being~~ of the Company at any time, whether at present or in the past, and the trustees (if any) ~~for the time being~~ acting or who have acted in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud, dishonest, or recklessness. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

195. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies ~~Law~~Act:

- (a) ...
- (b) ...
- (c) ...
- (d) ...

196. The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies ~~Law~~Act:

- (a) ...
- (b) ...
- (c) ...
- (d) ...

197.

FINANCIAL YEAR

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

NOTICE OF ANNUAL GENERAL MEETING



Kinetic Development Group Limited

力量發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1277)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Kinetic Development Group Limited (the “**Company**”) will be held at Small Connaught Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Monday, 22 May 2023 at 3:00 p.m. (the “**Annual General Meeting**”) to consider and, if thought fit, to pass the following resolutions as ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2022.
2. To declare a final dividend of HK\$0.07 per share for the year ended 31 December 2022 (the “**Final Dividend**”).
3. To re-elect Mr. Ju Wenzhong as an executive director of the Company.
4. To re-elect Ms. Zhang Lin as a non-executive of the Company.
5. To re-elect Ms. Liu Peilian as an independent non-executive director of the Company.
6. To re-elect Mr. Ji Kunpeng as an executive director of the Company.
7. To authorise the board of directors to fix the remuneration of the directors of the Company (the “**Directors**”).

NOTICE OF ANNUAL GENERAL MEETING

8. To re-appoint KPMG as the auditors of the Company and to authorise the board of Directors to fix their remuneration.

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

9. **“THAT:**

- (a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares or such securities in the capital of the Company, and to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, warrant or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or (iii) the exercise of any options under any share option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or right to acquire shares of the Company; or (iv) the exercise of any rights under the bonds, warrants and debentures convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 applicable law or the articles of association of the Company to be held; or
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

10. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Listing Rules or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares to be repurchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 applicable law or the articles of association of the Company to be held; or
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

11. **“THAT:**

conditional upon the passing of Resolutions No. 9 and 10 as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors pursuant to Resolution No. 9 as set out in the notice convening this meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Resolution No. 10 as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

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

12. “**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\$0.001 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, 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
 - (d) to take all such steps as may be necessary or desirable to implement such 2023 Share Option Scheme.”
13. “**THAT**, conditional upon the passing of Resolution No. 12, the Service Provider Sublimit (as defined in the 2023 Share Option Scheme) of 1 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.”

NOTICE OF ANNUAL GENERAL MEETING

14. “**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\$0.001 each in the share capital of the Company (the “**Shares**”) falling to be issued pursuant to any awards granted under the 2023 share award scheme of the Company (the “**2023 Share Award Scheme**”), the terms of which are set out in the document marked “**B**” produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the 2023 Share Award Scheme be approved and adopted to be one of the share award schemes of the Company with the Scheme Mandate Limit (as defined in the 2023 Share Award Scheme) of 10 per cent. of the total number of issued Shares as at the date of the passing of this resolution and that the Directors be authorised:
- (a) to grant awards thereunder and to allot and issue Shares pursuant to the 2023 Share Award Scheme;
 - (b) to alter and/or modify the 2023 Share Award Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the 2023 Share Award 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 awards granted under the 2023 Share Award Scheme and subject to the Listing Rules; and
 - (d) to take all such steps as may be necessary or desirable to implement such 2023 Share Award Scheme.”
15. “**THAT**, conditional upon the passing of Resolution No. 14, the Service Provider Sublimit (as defined in the 2023 Share Award Scheme) of 1 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.”

Proposed Resolution No. 12 is not conditional upon the passing of proposed resolution numbered 13, but proposed Resolution No. 13 is conditional upon the passing of proposed Resolution No. 12. In the event that proposed Resolution No. 12 is passed but proposed Resolution No. 13 is not passed, the Company will adopt the 2023 Share Option Scheme but the Board shall alter the 2023 Share Option Scheme to remove references to the grant of options to service providers. In the event that proposed Resolution No. 13 is passed but proposed Resolution No. 12 is not passed, the 2023 Share Option Scheme will not be adopted.

NOTICE OF ANNUAL GENERAL MEETING

Proposed Resolution No. 14 is not conditional upon the passing of proposed Resolution No. 15, but proposed Resolution No. 15 is conditional upon the passing of proposed Resolution No. 14. In the event that proposed Resolution No. 14 is passed but proposed Resolution No. 15 is not passed, the Company will adopt the 2023 Share Award Scheme but the Board shall alter the 2023 Share Award Scheme to remove references to the grant of awards to service providers. In the event that proposed Resolution No. 14 is passed but proposed Resolution No. 15 is not passed, the 2023 Share Award Scheme will not be adopted.

SPECIAL RESOLUTION

and to consider and, if thought fit, pass the following resolution as a special resolution (with or without modification):

16. “**THAT,**

- (a) the existing amended and restated memorandum and articles of association of the Company be and are hereby amended in the manner as set out in the circular of the Company dated 28 April 2023 (the “**Circular**”);
- (b) the second amended and restated memorandum and articles of association of the Company in the form set out in the document marked “**C**” produced to this meeting and signed by the chairman of this meeting for the purpose of identification, which consolidates all the proposed amendments mentioned in the Circular, be and are hereby approved and adopted as the new set of memorandum and articles of association of the Company, in substitution for and to the exclusion of the existing amended and restated memorandum and articles of association of the Company in their entirety, with immediate effect after the close of the Annual General Meeting; and
- (c) any one director or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the adoption of the second amended and restated memorandum and articles of association of the Company.”

By Order of the Board
Kinetic Development Group Limited
Ju Wenzhong
Chairman and Executive Director

Hong Kong, 28 April 2023

As at the date of this notice, the Board of the Company comprises seven directors, of whom three are executive Directors, namely Mr. Ju Wenzhong (Chairman), Mr. Li Bo (Chief Executive Officer) and Mr. Ji Kunpeng; one is a non-executive Director, namely Ms. Zhang Lin, and three are independent non-executive Directors, namely Ms. Liu Peilian, Mr. Chen Liangnuan and Ms. Xue Hui.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Resolution numbered 11 will be proposed to the shareholders for approval provided that ordinary resolutions numbered 9 and 10 are passed by the shareholders.
2. The register of members of the Company will be closed from Thursday, 8 June 2023 to Monday, 12 June 2023 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to the proposed final dividend. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 7 June 2023.
3. The register of members of the Company will be closed from Wednesday, 17 May 2023 to Monday, 22 May 2023 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attending and voting at the forthcoming AGM. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 16 May 2023.
4. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
5. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. In accordance with Article 108(a) of the Articles, Mr. Ju Wenzhong, Ms. Zhang Lin and Ms. Liu Peilian will retire at the AGM, and being eligible, will offer themselves for re-election at the AGM. In accordance with Article 111 of the Articles, Mr. Ji Kunpeng shall retire by rotation at the AGM and, being eligible, has offered himself for re-election. Particulars of the said Directors for re-election are set out in the Appendix I to the circular to the shareholders of the Company dated 28 April 2023.
7. In relation to proposed Resolution No. 12 above, summary of the principal terms of the 2023 Share Option Scheme are set out in the Appendix III to the circular of which this notice of the annual general meeting forms part.
8. In relation to proposed Resolution No. 14 above, summary of the principal terms of the 2023 Share Award Scheme are set out in the Appendix IV to the circular of which this notice of the annual general meeting forms part.
9. In relation to proposed Resolution No. 16 above, details of the proposed amendments to the existing amended and restated memorandum and articles of association of the Company are set out in the Appendix V to the circular of which this notice of the annual general meeting forms part.