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

If you have sold or transferred all your shares in Silkwave Inc, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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SILKWAVE

SILKWAVE INC

中播數據有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

**GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
TERMINATION OF EXISTING SHARE OPTION SCHEME;
ADOPTION OF NEW SHARE OPTION SCHEME;
PROPOSED ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM to be held virtually at 10:00 a.m. on Tuesday, 30 May 2023 is set out on pages AGM-1 to AGM-8 of this circular. A form of proxy for use by the Shareholders at the AGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk.

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

Arrangement for the AGM

The Company announces that the AGM will be conducted virtually via electronic means. The Shareholders and/or their proxies will not be able to attend the AGM in person. Please see pages ii to iii of this circular for information on the arrangement for the AGM.

Shareholders must appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting should they wish to exercise their voting rights at the AGM.

28 April 2023

CONTENTS

	<i>Page</i>
Arrangement for the AGM	ii
Definitions	1
Letter from the Board	6
Appendix I – Explanatory Statement on the Repurchase Mandate	I-1
Appendix II – Details of the Directors Proposed to be Re-elected at the AGM .	II-1
Appendix III – Summary of Principal Terms of the New Scheme	III-1
Appendix IV – Proposed Amendments Brought about by the New Memorandum and Articles of Association	IV-1
Notice of Annual General Meeting	AGM-1

ARRANGEMENT FOR THE AGM

If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

In appointing the chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting in the proxy form, the duly completed and signed proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 10:00 a.m. on Sunday, 28 May 2023 (being not less than forty-eight (48) hours before the AGM), failing which the appointment will be treated as invalid.

The AGM will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the AGM through ZOOM Meeting or listen to the meeting proceedings. Shareholders can view and listen to the AGM through a live webcast of the AGM from 9:30 a.m. on Tuesday, 30 May 2023 on a computer, tablet or any browser enabled device. Shareholders will need to complete the following steps to be able to access the live webcast of the AGM:

Accessing Proceedings of the AGM By Zoom

For Shareholders who would like to view and listen to the AGM live webcast, you will need to register by sending an email to co.sec@silkwave.com.hk no later than 5:00 p.m. on Friday, 19 May 2023 to provide a valid email address and a valid contact telephone number to the Company:

Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive an email instruction on how to join the ZOOM Meeting to observe the proceedings of the AGM by Friday, 26 May 2023. Shareholders **MUST NOT** forward the link to other persons who are not the Shareholders and who are not entitled to attend the AGM.

For non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited, they can also view and listen to the AGM online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

ARRANGEMENT FOR THE AGM

A member of the Company who wishes to express their views by asking questions may submit questions in relation to the business of the AGM in advance. Any shareholder who would like to submit questions in relation to the business of the AGM in advance can send questions by 5:00 p.m. on Friday, 19 May 2023 by email to co.sec@silkwave.com.hk or submit questions during the AGM through the live webcast dialogue function. The Board will arrange for answering the questions raised to the extent possible at the AGM.

If you have any queries on the above, please contact the Company by email to co.sec@silkwave.com.hk or telephone hotline at (852) 2159 3300.

Should any changes be made to the AGM arrangements, the Company will publish further announcement(s) to notify the Shareholders.

DEFINITIONS

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

“Adoption Date”	the date of approval and adoption of the New Scheme by the Shareholders
“AGM”	the annual general meeting of the Company to be convened and held virtually at 10:00 a.m. on Tuesday, 30 May 2023, the notice of which is set out on pages AGM-1 to AGM-8 of this circular, and any adjournment thereof
“Articles of Association” or “Articles”	the articles of association of the Company currently in force
“Board”	the Board of Directors
“CCH”	Chi Capital Holdings Ltd., a company incorporated under the laws of the British Virgin Islands with limited liability, which is wholly-owned by Mr. WONG Chau Chi, the chief executive of the Group, an executive Director and the chairman of the Board
“Companies Act” or “Act”	the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Silkwave Inc, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to CCH and Chi Capital Securities Limited
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	the Employee Participants, the Service Providers and the Related Entity Participants
“Employee Participant(s)”	the directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category

DEFINITIONS

“Executive”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group
“Existing Scheme”	the existing share option scheme of the Company adopted on 18 December 2015
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of Shares in issue of the Company as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of the Company currently in force
“New Memorandum and Articles of Association”	the amended and restated memorandum of association and amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments
“New Scheme”	the new share option scheme proposed to be adopted by the Shareholders at the AGM
“Nomination Committee”	the nomination committee of the Company

DEFINITIONS

“Proposed Amendments”	the proposed amendments to the Memorandum and Articles as set out in Appendix IV to this circular
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the directors to enable them to repurchase Shares of which shall not exceed 10% of the total number of Shares in issue of the Company as at the date of passing of the relevant resolution at the AGM
“Offer”	an offer of the grant of a Share Option made in accordance with the terms of the New Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option Period”	a period to be determined and notified by the Board to the grantee during which the Share Option may be exercised and in any event shall not be more than 10 years commencing on the Offer Date and expiring on the last day of such ten-year period subject to the provisions for early termination and the vesting period in accordance with the terms of the New Scheme
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued pursuant to the exercise of Share Options granted under the New Scheme which shall not in aggregate exceed of 10% of the Shares in issue as at the date of approval of the New Scheme, if refreshed shall not exceed 10% of the number of Shares in issue as at the date of approval of the refreshed limit by the Shareholders

DEFINITIONS

“Service Provider(s)”	<p>means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor:</p> <ul style="list-style-type: none">(i) where the continuity and frequency of their services are akin to those of employees; or(ii) after stepping down from an employment or director position with the Group, who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group’s principal business activities in the provision of Convergent Mobile Multimedia Broadcasting, satellite infotainment multimedia technology and services for vehicles and maritime applications, and trading of printed circuit board and Artificial Intelligence related products, and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group’s business and financial or commercial strategy, and provided that professional service providers, such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category
“Service Provider Sublimit”	has the same meaning as defined in paragraph 8 of Appendix III of this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Option(s)”	share option(s) granted or to be granted by the Company to subscribe for Shares under the New Scheme
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$” or “USD”	United States dollars, the lawful currency of United States of America
“%”	per cent.

LETTER FROM THE BOARD

SILKWAVE

SILKWAVE INC

中播數據有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

Executive Director:

Mr. WONG Chau Chi

Non-executive Directors:

Dr. LIU Hui

Mr. CHOU Tsan-Hsiung

Mr. YANG Yi

Mr. LUI Chun Pong

Independent Non-executive Directors:

Dr. LI Jun

Mr. CHOW Kin Wing

Mr. TAM Hon Wah

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Unit 1211, Level 12

Core F, Cyberport 3

100 Cyberport Road, Cyberport

Hong Kong

28 April 2023

To the Shareholders

Dear Sir/Madam,

**GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
TERMINATION OF EXISTING SHARE OPTION SCHEME;
ADOPTION OF NEW SHARE OPTION SCHEME;
PROPOSED ADOPTION OF
THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include: (i) ordinary resolutions on the proposed grant of each of the General Mandate, the Repurchase Mandate, and the Extension Mandate; (ii) ordinary resolutions

LETTER FROM THE BOARD

relating to the proposed re-election of the directors; (iii) ordinary resolution relating to the proposed termination of the Existing Scheme; (iv) ordinary resolutions relating to the proposed adoption of the New Scheme and the Service Provider Sublimit; and (v) special resolution relating to the proposed adoption of the New Memorandum and Articles of Association.

GRANT OF GENERAL MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 18 May 2022, among other things, the Directors were granted a general and unconditional mandate to allot, issue and deal with Shares, not exceeding 20% of the total number of Shares in issue of the Company then. The above general mandate will expire at the conclusion of the AGM.

At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares up to a maximum of 20% of the total number of Shares in issue of the Company on the date of passing of such resolution (i.e. not exceeding 322,309,406 Shares based on 1,611,547,031 Shares in issue as at the Latest Practicable Date and assuming no Shares will be issued or repurchased prior to the AGM);
- (b) to grant the Repurchase Mandate to the directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue of the Company on the date of passing of such resolution (i.e. not exceeding 1,611,547,031 Shares based on 161,154,703 Shares in issue as at the Latest Practicable Date and assuming no Share will be issued or repurchased prior to the AGM); and
- (c) to grant the Extension Mandate to the directors to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The General Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the annual general meeting of the Company next following the AGM; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles of Association to be held; or (c) when the authority given to the directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

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

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Director is Mr. WONG Chau Chi; the non-executive Directors are Dr. LIU Hui, Mr. CHOU Tsan-Hsiung, Mr. YANG Yi and Mr. LUI Chun Pong; and the independent non-executive Directors are Dr. LI Jun, Mr. CHOW Kin Wing and Mr. TAM Hon Wah.

Pursuant to Article 108(A) of the Articles of Association, at each annual general meeting of the Company, 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.

According to Article 108(B) of the Articles of Association, the directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Article 108(A) of the Articles of Association, Mr. WONG Chau Chi as an executive Director and Dr. LI Jun and Mr. CHOW Kin Wing as independent non-executive Directors, shall retire from office by rotation at the AGM, and being eligible, will offer themselves for re-election.

In accordance with the nomination policy of the Company and the objective criteria (including without limitation, gender, age, ethnicity, cultural and educational background, professional experiences and knowledge) with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, the Nomination Committee has reviewed the re-election of the Directors through:

- (a) evaluating the performance and contribution of the retiring Directors during the last financial year of the Company and the period thereafter up to the date of evaluation; and
- (b) assessing the independence of the independent non-executive Directors being Dr. LI Jun, Mr. CHOW Kin Wing and Mr. TAM Hon Wah and considered whether they remained independent and suitable to continue to act in such roles.

LETTER FROM THE BOARD

After due evaluation and assessment, the Nomination Committee is of the opinion that:

- (a) the performance of the retiring Directors was satisfactory and contributed effectively to the operation of the Board; and
- (b) based on the information available to the Nomination Committee and the annual written independence confirmation received from the independent non-executive Directors, the Nomination Committee was satisfied that Dr. LI Jun, Mr. CHOW Kin Wing and Mr. TAM Hon Wah:
 - i. fulfill the requirements of an independent non-executive Director as stipulated under Rule 3.13 of the Listing Rules; and
 - ii. are the persons of integrity and independent in character and judgement.

The Nomination Committee recommended to the Board, and the Board has considered the re-election of Mr. WONG Chau Chi as an executive Director and Dr. LI Jun and Mr. CHOW Kin Wing as independent non-executive Directors, is in the best interests of the Company and the Shareholders as a whole and has resolved to propose to re-elect each of the retiring Directors at the AGM.

Particulars of each of the retiring Directors proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

PROPOSED TERMINATION OF EXISTING SCHEME

The Existing Scheme was adopted by the Company on 18 December 2015 and is valid and effective for a period of 10 years from the date of adoption. Pursuant to the consultation conclusions on the Proposed Amendments to the Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022, Chapter 17 of the Listing Rules have been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Existing Scheme and adopt the New Scheme to replace the Existing Scheme.

As at the Latest Practicable Date, there were 34,800,000 underlying Shares comprised in the Share Options granted but not yet exercised under the Existing Scheme, of which a total of 7,300,000 underlying Shares were granted to the Directors while the remaining 27,500,000 underlying Shares were granted to other Eligible Participants under the Existing Scheme (as defined under the Existing Scheme), representing approximately 2.16% of the total number of issued Shares. The Board confirms that it will not grant any further options under the Existing Share Option Scheme prior to the AGM.

LETTER FROM THE BOARD

All the outstanding Options have been vested and may be exercised by the Grantees prior to the AGM. All the outstanding Options under the Existing Scheme will be cancelled upon termination of the Existing Scheme.

PROPOSED ADOPTION OF NEW SCHEME

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider, and if thought fit, to approve the adoption of the New Scheme as the Existing Scheme will expire and no further Options can thereafter be offered or granted under the Existing Scheme. The New Scheme is largely similar to the Existing Scheme. The major differences between the New Scheme and the Existing Scheme are changes made to the terms of the New Scheme to conform to the latest amendments to Chapter 17 of the Listing Rules (effective from 1 January 2023). The New Scheme complies with the latest requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,611,547,031 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the Adoption Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be 161,154,703 Shares, representing 10% of the total number of the issued Shares as at the Adoption Date.

The Service Provider Sublimit of the New Share Option Scheme will be 80,577,351 Shares, being 5% of the total number of the issued Shares on the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in the Group's business, the current payment and/or settlement arrangement with the Service Providers, and the fact that the Company expects that a majority of Options will be granted to Service Providers and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Service Providers. Given the above, the Directors have made reference to the previous grants of Share options to Service Providers and considered that a sublimit of 5% would not lead to an excessive dilution of existing Shareholders' holdings. Considering that there are no other share schemes involving grant of options over new Shares of

LETTER FROM THE BOARD

the Company, the Group's hiring practice and organisational structures and that Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to achieve the purpose of the New Share Option Scheme. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

None of the Directors is a trustee of the New Scheme or has any direct or indirect interest in the trustees of the New Scheme, if any. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the Existing Scheme.

As at Latest Practicable Date, the Company had not granted or proposed to grant or intended to grant any Share Options under the New Schemes.

Scope of Eligible Persons

Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Share Options and/or Award Shares to the Related Entity Participants and Service Providers in recognition of their contribution to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Share Options to these non-employee participants will align their interests with the Group's, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

Therefore, the Board (including independent non-executive Directors) consider that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. Through the grant of the Share Options and, such Eligible Persons and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution which aligns with the purpose of the New Scheme.

LETTER FROM THE BOARD

Vesting Period

To ensure the practicability in fully attaining the purpose of the New Schemes, the Board and the remuneration committee of the Company are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Share Options and Awards, such as those set out in the paragraph headed “6. Vesting of Share Options” in the Appendix III; (b) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time based vesting criteria depending on individual circumstances.

Hence, the Board and the remuneration committee of the Company are of the view that the vesting period is in line with the market practice and is appropriate and aligns with the purpose of the New Schemes.

Basis of determining the exercise price of Share Options

Grantees to whom Share Options shall be granted, are entitled to subscribe for the number of Shares at the exercise price as determined on the Offer Date. The basis for determining the exercise price is also specified precisely in the rules of the New Scheme, which is summarized under paragraph headed “5. Exercise Price” in the Appendix III to this circular. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Persons to acquire proprietary interests in the Company while balancing the purpose of the New Scheme and the interests of Shareholders.

Performance target

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

The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Share Options under particular circumstances of each grant and facilitate the Board’s aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

Conditions precedent of the New Scheme

The New Scheme will take effect after the expiry of the Existing Scheme and upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in the AGM to approve the adoption of the New Scheme and to authorise the Board to grant Share Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will not exceed 10% of the total number of the issued Shares as at the Adoption Date. An application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will not exceed 10% of the total number of the issued Shares as at the Adoption Date.

A summary of the principal terms of the rules of the New Scheme is set out in Appendix III hereto. A copy of the New Scheme will be published on the websites of Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the New Scheme will be made available for inspection at the AGM.

The purpose of the New Scheme is to recognise the contribution or future contribution of the Eligible Participants for their contribution to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities. The New Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Pursuant to the consultation conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers.

LETTER FROM THE BOARD

The Board proposes to amend and restate the Memorandum and Articles of Association for the purposes of (i) bringing the Memorandum and Articles of Association in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules) and applicable laws of the Cayman Islands; and (ii) making certain minor housekeeping amendments to the Memorandum and Articles of Association.

In view of the number of proposed changes involved, the Board proposes to amend the Memorandum and Articles of Association currently in effect by deletion in their entirety and the substitution in their place of the New Memorandum and Articles of Association. Full terms of the proposed changes brought about by the adoption of the New Memorandum and Articles of Association when compared with the Memorandum and Articles of Association are set out in Appendix IV to this circular.

Shareholders are advised that the New Memorandum and Articles of Association are written in English. The Chinese translation of the New Memorandum and Articles of Association is for reference purpose only. In case of any inconsistency between the English version and Chinese translation, the English version shall prevail.

The legal advisers to the Company have confirmed that the proposed amendments to the Memorandum and Articles of Association conform with the requirements under the Listing Rules and the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages AGM-1 to AGM-8 of this circular.

To the best knowledge of the Directors, no Shareholder is required to abstain from voting in respect of any of the resolutions proposed at the AGM pursuant to the Listing Rules.

Form of proxy

A form of proxy for use at the AGM is enclosed herewith. Whether or not you intend to be present at the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

In appointing the chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting in the proxy form, the duly completed and signed proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 10:00 a.m. on Sunday, 28 May 2023 (being not less than forty-eight (48) hours before the AGM), failing which the appointment will be treated as invalid. A form of proxy for use at the AGM is enclosed with this circular. For further information please refer to the section headed "Arrangement for the AGM" set out on pages ii to iii of this circular.

Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

After the conclusion of the AGM, an announcement regarding the poll results will be published on the respective website of the Stock Exchange and of the Company in accordance with Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, include particulars given in the 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.

RECOMMENDATIONS

The Board considers that all resolutions to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the AGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

In order to determine the eligibility of Shareholders to attend and vote at the AGM, which is to be held on 30 May 2023, the register of members of the Company will be closed from 24 May 2023 to 30 May 2023, both days inclusive, during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 23 May 2023.

GENERAL

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

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

Yours faithfully,
By order of the Board of
SILKWAVE INC
Wong Chau Chi
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

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

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,611,547,031 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 161,154,703 Shares, representing 10% of the total number of Shares in issue of the Company as at the Latest Practicable Date.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Act, other applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase 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. Under the Companies Act, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by the Articles of Association and subject to

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

the provisions of the Companies Act, 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 out of the Company's share premium account, or, if so authorized by the Articles of Association and subject to the provisions of the Companies Act, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the financial position as at 31 December 2022 as disclosed in the audited financial statements of the Company for the year ended 31 December 2022, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

7. CONNECTED PERSON

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

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

8. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

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

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the details of the Controlling Shareholder's shareholding interest in the Company are as follows:

Name	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of the issued shares of the Company
CCH	Interest in a controlled corporation (<i>Note</i>)	120,057,130	7.45%
	Beneficial owner	803,866,873	49.88%
Chi Capital Securities Limited	Beneficial owner (<i>Note</i>)	120,057,130	7.45%

Note: Chi Capital Securities Limited is 100% beneficially owned by CCH. Accordingly, CCH is deemed to be interested in the Shares held by Chi Capital Securities Limited.

As at the Latest Practicable Date, altogether representing CCH and Chi Capital Securities Limited owned approximately 57.33% of the issued shares of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the combined interests of CCH and Chi Capital Securities Limited in the Company would increase to approximately 63.70% of the issued shares of the Company and such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code.

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

9. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

10. SHARE PRICES

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	1.150	0.750
May	0.860	0.400
June	0.590	0.455
July	0.550	0.335
August	0.465	0.320
September	0.480	0.340
October	0.475	0.315
November	0.410	0.270
December	0.670	0.390
2023		
January	0.730	0.530
February	0.650	0.490
March	0.650	0.480
April (up to the Latest Practicable Date)	0.650	0.480

The biographical details of the directors proposed for re-election at the AGM are set out below:

EXECUTIVE DIRECTOR

Mr. WONG Chau Chi (“**Mr. Wong**”), aged 58, was appointed as an executive Director in May 2007. Mr. Wong is currently the chief executive of the Group, the chairman of the Board and the chairman of the Nomination Committee. Mr. Wong has extensive experiences in finance, technology and industrial management, working for a variety of companies including Goldman Sachs, Citibank, and BNP Paribas, and McKinsey, and General Electric. Mr. Wong graduated from the Pomona College in the US with a BA in Economics and International Relations, from the Harvard Kennedy School of Government with an MPP, and matriculated by the St. Antony’s College, Oxford reading Political History. Mr. Wong did not hold any position nor directorship in other listed companies in the three preceding years. Save as disclosed herein, Mr. Wong has not held any other positions in the Company and its subsidiaries.

Mr. Wong does not have any relationship with any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Wong was deemed by the SFO to be interested in (i)(a) the 803,866,873 Shares and; (b) convertible notes with an outstanding principal amount of US\$17,000,000 which could be converted into 377,855,714 Shares, held by Chi Capital Holdings Ltd. which is 100% beneficially owned by Mr. Wong and; (ii) 120,057,130 Shares held by Chi Capital Securities Limited which is 100% beneficially owned by Chi Capital Holdings Ltd. As such, Mr. Wong had an aggregate interest of 1,301,809,717 Shares (equivalent to approximately 80.78% of the total number of issued Shares). Save as disclosed above, Mr. Wong did not have any other interest in any Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Wong entered into a service contract with the Company for a term of one year commencing in 2007 and shall continue thereafter, provided that either the Company or Mr. Wong may terminate such appointment at any time by giving at least three month’s notice in writing to the other. The appointment shall terminate automatically in the event of Mr. Wong ceasing to be a Director for whatever reason. Mr. Wong is subject to retirement from office and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles. Mr. Wong was entitled to an annual salary of USD77,000 for his appointment as the Chief Executive, which has been determined with reference to his background, his duties and responsibilities within the Company, current remuneration of other Directors, and the prevailing market conditions. Mr. Wong will not receive any remuneration for his appointment as the Chairman. His remuneration is subject to review by the remuneration committee of the Company and the Board from time to time. Mr. Wong does not receive any bonuses or any other benefits.

Save as disclosed above, there is no information which is required to be disclosed under Rule 13.51(2) of the Listing Rules and there are no other matters relating to the re-election of Mr. Wong that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LI Jun (“**Dr. Li**”), aged 61, was appointed as a non-executive director in June 2007 and re-designated to an independent non-executive director in May 2011. Dr. Li is currently the chairman of the Remuneration Committee and a member of each of the audit committee of the Company and the Nomination Committee. Dr. Li obtained a doctorate degree for philosophy in political economy from the Oxford University in the United Kingdom. He was a senior manager and a director for a number of securities and investment companies in Hong Kong and had extensive experience in international financial markets. Dr. Li is an independent non-executive director in Hengxin Technology Limited, a company listed on the Main Board of the Stock Exchange. Save as disclosed herein, Dr. Li did not hold any position nor directorship in other listed companies in the three preceding years. Save as disclosed herein, Dr. Li has not held any other positions in the Company and its subsidiaries.

Dr. Li does not have any relationship with any other directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dr. Li had a personal interest in 1,300,000 share options (equivalent to approximately 0.08% of the total number of issued Shares). Save as disclosed above, Dr. Li did not have any interests in any Shares within the meaning of Part XV of the SFO.

Dr. Li shall hold office as an independent non-executive director for a term of one year commencing from May 2011 and shall be renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of his appointment unless terminated by not less than three months’ notice in writing served by either the Company or Dr. Li at any time during the term. Dr. Li does not receive emolument as an independent non-executive director.

Pursuant to Provision B.2.3 of Appendix 14 of the Listing Rules, if an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by shareholders. Dr. Li has served on the Board for more than 9 years. As an independent non-executive director with extensive experience and knowledge in corporate operating management and in-depth understanding of the Company’s operations and business, Dr. Li has expressed objective views and given independent guidance to the Company over the years, and he continues demonstrating a firm commitment to his role. Dr. Li has also made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

The Nomination Committee considers that the long service of Dr. Li would not affect his exercise of independent judgement and is satisfied that Dr. Li has the required character, integrity and experience to continue fulfilling the role of an independent non-executive director. The Board is of the view that Dr. Li meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of guidelines. The Board considers the re-election of Dr. Li as an independent non-executive Director is in the best interest of the Company and Shareholders as a whole.

Save as disclosed above, there is no information which is required to be disclosed under Rule 13.51(2) of the Listing Rules and there are no other matters relating to the re-election of Dr. Li that need to be brought to the attention of the Shareholders.

Mr. Chow Kin Wing (“**Mr. Chow**”), aged 42, was appointed as an independent non-executive Director in October 2020. Mr. Chow is currently the chairman of the audit committee of the Company and a member of each of the Nomination Committee and Remuneration Committee. Mr. Chow holds a Bachelor degree in Accounting and Finance from the Queensland University of Technology, Australia. He is an associate member of Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has more than 13 years of experience in financial management, auditing and accounting in an international accounting firm and a listed company in Hong Kong. Mr. Chow was an independent non-executive director of Hong Kong Finance Investment Holding Group Limited. (stock code: 7) listed on the main board of the Stock Exchange during the period from May 2020 to October 2020. Save as aforesaid, Mr. Chow did not hold any directorship in other listed companies in the three preceding years. Save as disclosed herein, Mr. Chow has not held any other positions in the Company and its subsidiaries.

Mr. Chow does not have any relationship with any other directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Chow had a personal interest in 1,300,000 share (equivalent to approximately 0.08% of the total number of issued Shares). Save as disclosed above, Mr. Chow did not have any interests in any Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Chow shall hold office as an independent non-executive director for a term of one year commencing from October 2020 and shall be renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of his appointment unless terminated by not less than three months’ notice in writing served by either the Company or Mr. Chow at any time during the term. Mr. Chow is entitled to a director’s fee of HK\$120,000 per annum, which has been determined with reference to his background, his

duties and responsibilities within the Company, current remuneration of other Directors, and the prevailing market conditions. His remuneration is subject to review by the remuneration committee of the Company and the Board from time to time.

The Company has received from Mr. Chow an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers Mr. Chow is independent.

Save as disclosed above, there is no information which is required to be disclosed under Rule 13.51(2) of the Listing Rules and there are no other matters relating to the re-election of Mr. Chow that need to be brought to the attention of the Shareholders.

None of the Directors proposed to be re-elected at the AGM has a service contract which requires the Company to give a period of more than one year before the same can be terminated. In addition, none of the Directors proposed to be re-elected at the AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The following is a summary of the principal terms of the New Scheme proposed to be approved at the EGM:

1. PURPOSE OF THE NEW SCHEME AND ELIGIBILITY

- 1.1 The purpose of the New Scheme is to motivate Eligible Participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executive, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.
- 1.2 Subject to the terms of the New Scheme, the Board shall be entitled at any time during the life of the New Scheme to offer the grant of any Option to any Eligible Participants as the Board may in its absolute discretion select.
- 1.3 In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

2. CONDITIONS OF THE NEW SCHEME

The New Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of all the Shareholders for the adoption of the New Scheme; and
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options which may be granted in accordance with the terms and conditions of the New Scheme;

If the above conditions are not satisfied within two calendar months after the Adoption Date, (i) the New Scheme will forthwith determine; (ii) any Option granted or agreed to be granted pursuant to the New Scheme and any offer of such a grant shall be of no effect; and (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Scheme or any Option.

3. DURATION AND ADMINISTRATION

3.1 Subject to the fulfilment of the conditions and the termination provisions of the New Scheme, the New Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Upon the expiry of the Existing Scheme as aforesaid, no further Options will be offered Existing Scheme and all the outstanding Options under the Existing Scheme will be cancelled upon the termination of the Existing Scheme.

3.2 The New Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Scheme or its interpretation or effect shall (save as otherwise provided in the New Scheme) be final and binding on all parties. The Board may delegate any or all of its powers in relation to the New Scheme to any of its committees.

4. GRANT OF OPTIONS

4.1 Subject to the terms of the New Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Participants as the Board may in its absolute discretion select to subscribe at the exercise price for such number of Shares as the Board may (subject to the terms of the New Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

4.2 Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the New Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the New Scheme. For the avoidance of doubt, except for such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) and there is no minimum period for which an Option must be held before it can be exercised and there is no performance target which need to be achieved by the grantee before the Option can be exercised.

- 4.3 Any offer of an Option to be made to a Director, chief executive or a substantial shareholder of the Company or any of their respective associates must first be approved by the independent non-executive Directors (excluding the independent non-executive Director who or whose associates is the grantee of the Option).
- 4.4 Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by Shareholders (voting by way of a poll). The Company shall send a circular to shareholders containing the information required under the Listing Rules. The grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting.
- 4.5 The Board shall not grant any Option under the New Scheme after inside information has come to its knowledge or inside information has been the subject of a decision until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Options shall be granted during the period commencing one month immediately preceding the earlier of 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 and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period, and ending on the date of the results announcements.
- 4.6 An offer of the grant of an Option shall remain open for acceptance by the Eligible Participants concerned for a period of 21 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the New Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Participants and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Participants, being a date not later than 21 days after the offer date. Such remittance shall in no circumstances be refundable.

4.7 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 offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted within 21 days after the offer date, it will be deemed to have been irrevocably declined.

5. EXERCISE PRICE

5.1 The exercise price in respect of any particular Option 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 letter containing the offer of the grant of the Option) but the exercise price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business date; and
- (c) 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 offer date.

6. VESTING OF SHARE OPTIONS

6.1 Save for the circumstances prescribed in sub-paragraph 6.2 below, an Option must be held by the Option Holder for at least 12 months before the Option can be exercised.

6.2 A shorter vesting period may be granted to Employee Participants at the discretion of the Board or the Remuneration Committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) Grants of "make-whole" Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) Grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) Grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;

- (iv) Grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months;
- (v) Grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (vi) Grants to an Employee Participant whose employment at the Company has been more than two years; and
- (vii) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New Share Option Scheme.

7. EXERCISE OF OPTIONS

- 7.1 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 Option Period in the manner as set out in the New Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company 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 30 days after receipt of the notice and, where appropriate, receipt of a certificate from the auditors or the independent financial adviser pursuant to the New Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- 7.2 The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter. The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.
- 7.3 Subject to hereinafter provided:
- (a) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full), he (or his legal 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 an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement within a period of 12 months following his retirement or such longer period as the Board may determinate;
- (c) in the event that the grantee ceases to be an Executive by reason of his transfer of employment to an Affiliate Company, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option 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 Executive for any reason (including the termination of his employment by resignation, or his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to an affiliate company or the termination of his employment with the relevant member of the Group 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 Executive by reason of the termination of his employment by culpable termination, the Option (to the extent not already exercised) shall lapse automatically on the date on which the notice of termination is served or the date on which the grantee is notified of the termination of his employment (in the case of culpable termination) and not in any event be exercisable on or after the date of cessation of employment 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;
- (f) if (i) the Board in its absolute discretion at any time determines that a grantee has ceased to be an Eligible Participant; or (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;

- (g) 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; (ii) has suspended, ceased or threatened to suspend or cease business; (iii) is unable to pay its debts; (iv) otherwise becomes insolvent; (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 its associate(s) 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 in any event be exercisable on or after the date on which the Board have so determined;
- (h) 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; (ii) has made any arrangement or composition with his creditors generally; (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(s) 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 on or after the date on which the Board have so determined;

- (i) 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 after such offer becomes or is declared unconditional and before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be;
 - (j) 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 dispatches 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 legal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period; or
 - (ii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.
 - (k) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches 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 one business day prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.
- 7.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution

previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder of those Shares.

8. MAXIMUM NUMBER OF SHARES

8.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Other Schemes**”) shall not in aggregate exceed 161,154,703, representing 10 per cent. of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders. Options or awards cancelled or lapsed in accordance with the terms of the Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share provided that:

- (a) the Company may as the Board may think fit seek approval from its shareholders to refresh the Scheme Mandate Limit and the Service Provider Sublimit after 3 years from the date of approval by the Shareholders for the adoption of the Scheme or the last refreshment, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by the shareholders of the Company in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to its shareholders a circular containing the details and information required under the Listing Rules;

- (b) Any refreshment within any three (3)-year period must be approved by Shareholders subject to that: (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent nonexecutive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules;
 - (c) the Company may seek separate approval from its shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specified by the Company before such approval is obtained. The Company shall issue a circular to its shareholders containing the details and information required under the Listing Rules; and
 - (d) within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 5% of the total number of Shares in issue on the Adoption Date.
- 8.2 The maximum number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Participants (including exercised and outstanding Options) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Participants would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participants (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Participants and his close associates (or his associates if such Eligible Participants is a connected person) abstaining from voting. The Company shall send a circular to its shareholders disclosing the identity of the Eligible Participants, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Participants, and containing the details and information required under the Listing Rules. The number and terms (including the exercise price) of the Options to be granted to such Eligible Participants must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such grant shall be taken as the offer date for the purpose of calculating the exercise price of those Options.

9. TRANSFERABILITY OF OPTIONS

9.1 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 so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

10. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the period referred to paragraphs related to exercise of Options;
- (c) subject to the period mentioned in paragraph 7.3(k) of “Exercise of Options” above, 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/its 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 New 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.

Unless otherwise imposed by the Directors and stated in the relevant Offer Letter, there is neither any performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder nor any clawback mechanism under the Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

11. CANCELLATION OF OPTIONS

11.1 The Board shall be entitled 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 (the “**Cancellation Date**”). Options granted and accepted but not exercised can be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the Scheme (or the Other Schemes) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

11.2 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.

12. REORGANISATION OF CAPITAL STRUCTURE

12.1 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 or sub-division of Shares or reduction of the share capital of the Company, 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 New Scheme; and/or
- (b) the aggregate number of Shares subject to the Options already granted; and/or
- (c) the exercise price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors or the independent financial adviser to be appointed by the Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) 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;
- (b) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (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.

13. TERMINATION

13.1 The Company may by resolution in general meeting at any time terminate the operation of the New Scheme. Upon termination of the New Scheme as aforesaid, no further Options shall be offered but the provisions of the New 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 subject to and in accordance with the New Scheme.

14. ALTERATION OF THE SCHEME

14.1 Subject to paragraph 14.2 below, the New Scheme may be altered in any respect by a resolution of the Board.

14.2 The following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the New Scheme);
- (b) any alteration to the provisions of the New Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee;

(c) any change to the authority of the Board or any person or committee delegated by the Board to administer the day-to-day running of the Scheme; and

(d) any alteration to the aforesaid termination provisions,

provided always that the amended terms of the New Scheme shall comply with the applicable requirements of the Listing Rules.

The following are the proposed amendments to the Memorandum and Articles of Association brought about by the adoption of the New Memorandum and Articles of Association (showing changes to the Memorandum and Articles of Association, other than consequential changes made to the table of contents, margin notes, cross-references and numbering). Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Memorandum and Articles of Association. The New Memorandum and Articles of Association are prepared and written in English. The Chinese translation of the New Memorandum and Articles of Association is for reference purpose only. In case of any inconsistency between the English version and Chinese translation, the English version shall prevail.

A. Memorandum of Association

Clause No. Proposed amendments (showing changes to the Memorandum and Articles of Association)

Cover Page

THE COMPANIES ~~LAW~~ACT (REVISED)
EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
CMMB VISION HOLDINGS LIMITEDSILKWAVE INC
中播數據有限公司中國移動多媒體廣播控股有限公司

Note:

This consolidated memorandum and articles of association is not formally adopted by shareholders at a general meeting of the Company. Also, it is prepared in both English and Chinese versions. In case of any discrepancies or inconsistencies, the English version shall always prevail.

Title

THE COMPANIES ~~LAW~~ACT (REVISED)
EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
CMMB VISION HOLDINGS LIMITEDSILKWAVE INC
中播數據有限公司中國移動多媒體廣播控股有限公司

(As adopted by special resolution passed at a general meeting on 30 May 2023)

1 The name of the Company is ~~CMMB Vision Holdings Limited~~Silkwave Inc 中播數據有限公司
中國移動多媒體廣播控股有限公司.

- 2 The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited~~Codan Trust Company (Cayman) Limited~~, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- 4 Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies ~~Law~~ Act (Revised).
- 8 The share capital of the Company is HK\$~~500,000,000,000~~500,000,000,000 divided into ~~2550,000,000,000~~ shares of a nominal or par value of HK\$~~0.20~~0.20 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies ~~Act~~ Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.

Note 1

Note 1:

- (d) Pursuant to the resolution passed on 8 November 2019 at the extraordinary general meeting of the Company in relation to, among other things, the share consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) consolidated share of HK\$0.20 each in the share capital of the Company.

APPENDIX IV

**PROPOSED AMENDMENTS BROUGHT ABOUT BY THE
NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

Signature Page We, the undersigned, are desirous of being formed into a company pursuant to this Memorandum of Association and the Companies Law (Revised), and we hereby agree to take the numbers of shares set opposite our respective name below:

Dated this 22nd day of July, 2004.

SIGNATURE, NAME, OCCUPATION, AND ADDRESS OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY SUBSCRIBER
---	---

CODAN TRUST COMPANY (CAYMAN) LIMITED, a Cayman Islands Company of: Century Yard, Cricket Square Hutchins Drive, P.O. Box 2681GT George Town Grand Cayman British West Indies	one
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by:

(Sd.) Neil T. Cox

Neil T. Cox

and:

(Sd.) Theresa L. Pearson

Theresa L. Pearson

(Sd.) Sarah D. Scott

Sarah D. Scott

Witness to the above signatures:

Address: Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies

Occupation: Secretary

I, V. DAPHENE WHITELOCKE; Asst. Registrar of Companies in and for the Cayman Islands DO HEREBY CERTIFY that this is a true copy of the Memorandum of Association of the Company duly registered on the 22nd day of July, 2004.

(Sd.) V. DAPHENE WHITELOCKE

Asst. Registrar of Companies

B. Articles of Association

Clause No. Proposed amendments (showing changes to the Memorandum and Articles of Association)

Throughout To renumber the clauses as appropriate.

All references to the “Companies Law” in the Articles of Association are proposed to be amended to the “Companies Act”.

Cover Page

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
CMMB Vision Holdings Limited
中國移動多媒體廣播控股有限公司
SILKWAVE INC
中播數據有限公司

(As adopted by special resolution passed at a general meeting on 30 May 2023)

~~adopted pursuant to written resolutions passed on 5 July, 2005~~

~~and as amended pursuant to the shareholders’ resolutions~~

~~passed on 23 May 2006~~

Title

~~THE COMPANIES ACT (REVISED) LAW, CHAPTER 22~~
~~(LAW 3 OF 1961, AS CONSOLIDATED AND REVISED)~~
EXEMPTED COMPANY LIMITED BY SHARES
AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

SILKWAVE INC**~~CMMB Vision Holdings Limited~~**
中播數據有限公司**中國移動多媒體廣播控股有限公司**

(As adopted by special resolution passed at a general meeting on 30 May 2023)

- 1 (A) The regulations contained or incorporated in Table A of the Schedule to the Companies Law~~Act, Chapter 22 (Law 3-1961 consolidated and revised)~~ shall not apply to this Company.

~~“the Companies LawAct” shall mean The the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised)Act 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, as amended from time to time;~~

~~“the Company” or “this Company” shall mean CMMB Vision Holdings LimitedSilkwave Inc. 中播數據有限公司中國移動多媒體廣播控股有限公司 incorporated in the Cayman Islands on 22 July, 2004;~~

~~“holding company” and “subsidiary” shall have the meanings ascribed to them by section 2 of the Companies Ordinance (Cap.32622) of the laws of Hong Kong as in force at the adoption of these Articles;~~

- (C) At all times during the Relevant Period (but not otherwise) a resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the ~~votes~~ total voting rights by of such shareholders~~as~~, being entitled so to do, ~~vote present and voting~~ 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 twenty-one (21) days’~~ notice, specifying (without prejudice to the power contained in these presents to amend the same) the intention to propose the resolution as a special resolution, ~~has been duly given~~ 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 ninety-five (95) per cent. in nominal value of the shares giving that right (or, in the case of an annual general meeting, by all shareholders of the Company), a resolution may be proposed and passed as a Special Resolution at a meeting of which less than twenty-one (21) days’ notice has been given.~~
- (D) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the total voting rights of such shareholders~~as~~, being entitled so to do, present and voting ~~vote~~ in person or, in the case of any shareholder being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which not less than fourteen (14) days’ notice has been duly given.

- (E) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by ~~or on behalf of the persons for the time~~ all shareholders being entitled to receive notice of and to attend and vote at general meetings of the Company (or in the case of any shareholder being a corporation, by its duly appointed representative) shall, for the purpose of these Articles, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, and signed by one or more relevant shareholders.
- 2 Without prejudice to any other requirements of the Statutes and subject to Article 13, a Special Resolution passed at a general meeting shall be required to alter the memorandum of association of the Company, to approve any amendment of these presents or to change the name of the Company.
- 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~~ the Companies Act, be varied or abrogated ~~either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class~~ or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting 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 two persons together 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 voting rights of the shareholders issued shares of that class, that the quorum for any meeting adjourned for want of quorum shall be two shareholders present in person (or, in the case of a 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 a shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.

- 6 The authorised share capital of the Company is HK\$5,050,000,000 divided into 2550,000,000,000 shares of HK\$0.20 each. (*Note 1*)

Note 1:

- (d) Pursuant to the resolution passed on 8 November 2019 at the extraordinary general meeting of the Company in relation to, among other things, the share consolidation of every twenty (20) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) consolidated share of HK\$0.20 each in the share capital of the Company.
- 17 (C) For so long as any part of the share capital of the Company is listed on a stock exchange in Hong Kong, any member may inspect the principal register or branch register of the Company maintained in Hong Kong during normal business hours (subject to such reasonable restrictions as the Directors may impose on terms equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of 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 is subject to the Companies Ordinance (Cap. ~~622~~⁶²² of the Laws of Hong Kong).
- 62 ~~At all times during the Relevant Period (but not otherwise) the Company shall hold a general meeting as its annual general meeting shall in respect of each financial year hold a general meeting as its annual general meeting within six months after the end of such financial year (or such longer period as may be permitted by the Listing Rules, if any) in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months (or such longer period as may be permitted by the rules of the stock exchange on which any securities of the Company are listed with the permission of the Company) 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 Directors and at such time and place as the Directors 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 in person at such meeting.~~

- 64 The Directors may, whenever they think fit, convene an Extraordinary General Meeting. ~~Extraordinary General Meetings shall also be convened on the requisition of one~~ One or more shareholders ~~(including a recognised clearing house (or its nominee(s)) 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, on a one vote per share basis in the share capital of the Company, may also make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a general meeting.~~ Such requisition shall be made in writing to the Directors or the Secretary for the purpose of requiring an Extraordinary General Meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.
- 65 An annual general meeting ~~and a meeting called for the passing of a Special Resolution~~ shall be called by at least twenty-one (21) days' notice in writing, and any other general meetings (including an extraordinary general meeting) of the Company ~~other than an annual general meeting or a meeting for the passing of a Special Resolution~~ shall be called by at least fourteen (14) days' notice in writing, unless it can be demonstrated that reasonable written notice can be given in less time or if permitted by the Listing Rules, in which case a general meeting may be called by shorter notice. 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, the day and the hour of meeting and, in case of special business, 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:
- 67 (B) During the Relevant Period (but not otherwise), subject to the Companies Act, the Company may at any time and from time to time by a Special Resolution passed at a general meeting alter or amend the Memorandum of Association or these Articles in whole or in part.~~neither the Memorandum of Association nor these Articles may be altered except by a Special Resolution.~~

- 79 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every shareholder who is present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy shall (save as provided otherwise in this Article) have one vote, and on a poll every shareholder present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy, shall have one vote for every share ~~of which he is the holder which is fully paid or credited as fully paid (but so that no amount paid or credited as paid on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid on the share)~~ registered in his name in the Register. On a poll a shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way. Notwithstanding anything contained in these Articles, 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. Every shareholder 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.
- 83 Save as expressly provided in these Articles, no person other than a shareholder duly registered ~~and who shall have paid everything for the time being due from him payable to the Company~~ in respect of his shares shall be entitled to be present or to vote (save as proxy for another shareholder) whether personally, by proxy or by attorney or to be reckoned in the quorum, at any general meeting.
- 85 Any shareholder entitled to attend, speak and vote at a meeting of the Company (including without limitation a recognised clearing house, where it is a shareholder) shall be entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a shareholder of the Company. On a poll or a show of hands votes may be given either personally (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a shareholder who is an individual and for whom he acts as proxy as such shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a shareholder which is a corporation and for which he acts as proxy as such shareholder could exercise if it were an individual shareholder.

- 88 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially 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) not less than forty-eight hours before the time for holding the meeting or adjourned 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 twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending, speaking and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 92 (A) Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise any person as it thinks fit to act as its representative at any meeting of the Company or of any class of shareholders of the Company, and the person so authorised shall be entitled to exercise the same powers (including without limitation the power to attend, speak and vote at any meeting) on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person. References in these Articles to a shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a shareholder represented at the meeting by such duly authorised representative. A corporation may execute a form of proxy under a duly authorised officer.
- (B) Where a shareholder is a recognised clearing house (or its nominee(s)), it may authorise such persons as it thinks fit to act as its representatives at any general meeting of the Company or at any meeting of any class of shareholders or at any meeting of the creditors of the Company (as the case may be) provided that, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be entitled to exercise the same rights and powers (including without limitation the power to attend, speak and vote at any meeting) on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.

- 96 The number of Directors shall not be fewer than one. The Company shall keep at its Registered Office a register of its directors and officers in accordance with ~~the Companies Law~~ the Companies Act. There shall be no maximum number of Directors unless otherwise determined from time to time by the shareholders in general meeting.
- 112 The Directors 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 any maximum number determined from time to time by the shareholders in general meeting. Any Director so appointed shall hold office only until the ~~next following first~~ annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting 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.
- 114 The ~~Company~~ shareholders may, at any general meeting convened and held in accordance with these Articles, by Ordinary Resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his ~~period 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 under any contract~~) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company 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.
- 176 (A) The ~~Company~~ shareholders shall at ~~each~~ any annual general meeting or at a subsequent extraordinary meeting in each year, by Ordinary Resolution, 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 ~~Directors~~, 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 the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act, provided that such appointment to fill the vacancy is only until the next annual general meeting of the Company, at which the requirements of this Article 176 shall be met. The remuneration of auditor(s) of the Company shall be approved by Ordinary Resolution passed at a general meeting. ~~The remuneration of the Auditors shall be fixed by or on the authority of the Company 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 Directors and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

(B) The shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditor or Auditors by ~~Special Resolution~~Ordinary Resolution at any time before the expiration of the term of office and the shareholders shall, by Ordinary Resolution, at that meeting appoint another Auditor in its place for the remainder of the term.

178 No person other than the retiring Auditors shall be appointed as Auditors at an annual general meeting or at a subsequent extraordinary general meeting in each year unless notice of an intention to nominate that person to the office of Auditors has been given to the Company not less than fourteen (14) clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditors and shall give notice thereof to the shareholders not less than seven (7) days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring Auditors may be waived by notice in writing by the retiring Auditors to the Secretary.

188 ~~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.~~Subject to the Companies Act, the Company may at any time and from time to time be wound up voluntarily by a Special Resolution passed at a general meeting.

197 ~~The financial year of the Company shall be prescribed by the Directors and may, from time to time, be changed by it.~~Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st day of December in each year.

NOTICE OF ANNUAL GENERAL MEETING

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SILKWAVE

SILKWAVE INC

中播數據有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 471)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Silkwave Inc (the “**Company**”) will be held virtually on Tuesday, 30 May 2023 at 10:00 a.m. for the purpose of considering and, if though fit, passing the following resolutions (with or without modifications):

As Ordinary Business

1. to receive and consider the audited financial statements and the reports of the directors (“**Directors**”) of the Company and auditors (“**Auditors**”) of the Company for the year ended 31 December 2022;
2.
 - (a) to re-elect Mr. WONG Chau Chi as an executive Director;
 - (b) to re-elect Dr. LI Jun as an independent non-executive Director;
 - (c) to re-elect Mr. CHOW Kin Wing as an independent non-executive Director; and
 - (d) to authorize the Board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. to re-appoint Linksfield CPA Limited as Auditors and to authorize the Board of Directors to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

As Special Business

To consider and, pass the following resolutions as ordinary resolutions of the Company:

4. **“THAT:**

- a. subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and all other applicable laws, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.20 each (“**Shares**”) in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) 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 authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- c. the total number of Shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to
 - i. a Rights Issue (as hereinafter defined);
 - ii. the grant or exercise of any options granted under the share option schemes or similar arrangement for the time being adopted by the Company; or
 - iii. any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles of Association**”) of the Company and other relevant regulations; or
 - iv. any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the total number of Shares in issue of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- d. for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or
 - iii. the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**
- a. subject to paragraph (b) below, the exercise by the directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase Shares of the Company on the Stock Exchange or any other stock exchange on which Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
 - b. the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- c. for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law to be held; or
 - iii. the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.”

- 6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors to allot, issue and deal with additional Shares of the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition thereto of an amount representing the total number of Shares in issue of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of Shares in issue of the Company as at the date of passing of this resolution.”

- 7. “**THAT**:
 - (a) the share option scheme adopted by the Company on 18 December 2015 be and is hereby terminated (including any outstanding, issued and unexercised options thereof) with effect from the conclusion of the AGM;

 - (b) subject to and conditional upon the passing of the resolution in paragraph (a) hereinabove and the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares in the capital of the Company (“**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the AGM and signed by the chairman of the AGM for the purpose of identification) (“**New Scheme**”), the New Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme including without limitation:
 - (i) to administer the New Scheme under which options will be granted to eligible participants under the New Scheme to subscribe for Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) to modify and/or amend the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme relating to modification and/or amendment;
 - (iii) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any Shares which may thereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Scheme; and
 - (v) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Scheme.”
8. “**THAT** the Scheme Mandate Limit (as defined in the New Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to the eligible participants under all the share schemes of the Company (i.e. 10% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
9. “**THAT** the Service Provider Sublimit (as defined in the New Scheme) on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company (i.e. 5% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

NOTICE OF ANNUAL GENERAL MEETING

To consider and, pass the following resolution as a special resolution of the Company:

10. “**THAT** the amended and restated memorandum of association and amended and restated articles of association of the Company (incorporating the proposed amendments to the existing memorandum of association and articles of association of the Company, the details of which are set out in Appendix IV to the circular of the Company dated 28 April 2023) (“**Amended Memorandum and Articles of Association**”), a copy of which has been produced to this Meeting and marked “B” and initialled by the chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted as the memorandum of association and articles of association of the Company respectively in substitution for, and to the exclusion of, the existing memorandum of association and articles of association of the Company with immediate effect after the close of the Meeting, and any Director or company secretary of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he shall, in his absolute discretion, deem necessary or expedient to implement the adoption of the Amended Memorandum and Articles of Association, including without limitation, making relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in the Cayman Islands and Hong Kong.”

By order of the Board of Directors of
SLIKWAVE INC
Wong Chau Chi
Chairman

Hong Kong, 28 April 2023

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

Unit 1211, Level 12
Core F, Cyberport 3
100 Cyberport Road
Cyberport, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint one proxy or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A form of proxy for use at the Meeting is being dispatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint registered holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote.
6. In order to determine the eligibility of shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from 24 May 2023 to 30 May 2023, both days inclusive, during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 23 May 2023.
7. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.irasia.com/listco/hk/silkwave and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.
8. Please refer to Appendix II to the circular of the Company dated 28 April 2023 for the details of the retiring directors subject to re-election at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

9. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

In appointing the chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting in the proxy form, the duly completed and signed proxy form must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 10:00 a.m. on Sunday, 28 May 2023 (being not less than forty-eight (48) hours before the AGM), failing which the appointment will be treated as invalid.

As at the date of this notice, the Board comprises one executive Director, Mr. WONG Chau Chi; four non-executive Directors, namely Dr. LIU Hui, Mr. CHOU Tsan-Hsiung, Mr. YANG Yi and Mr. LUI Chun Pong; and three independent non-executive Directors, namely Dr. LI Jun, Mr. CHOW Kin Wing and Mr. TAM Hon Wah.