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

If you have sold or transferred all your shares in **Hi Sun Technology (China) Limited** (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME, PROPOSED ADOPTION OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the Special General Meeting of the Company to be held at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 12 June 2023 at 3:00 p.m. is set out on pages 43 to 45 of this circular.

Whether or not you are able to attend the Special General Meeting, you are encouraged to appoint the Chairman of the Special General Meeting as your proxy by completing the accompanying proxy form in accordance with the instructions printed thereon and return it to the the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting. The proxy form is attached to this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hisun.com.hk). If you are a non-registered Shareholder, you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy. Completion and return of the proxy form will not preclude you from attending and voting in person at the Special General Meeting if you so wish.

Hong Kong, 25 May 2023

* *For identification purpose only*

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DEFINITIONS

In this circular other than the Special General Meeting Notice, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Award(s)”	Share(s) granted or to be granted under any share award scheme(s) adopted or to be adopted by the Company, involving the grant of new Shares by the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company currently in force
“Company”	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Eligible Participant(s)”	any person(s) belonging to any of the following classes of participants who may be invited by the Directors to take up Option(s): (a) the Employee Participant(s); and (b) the Related Entity Participant(s)
“Employee Participant(s)”	directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies)
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 18 May 2021, a summary of principal terms of which are set out in the circular of the Company dated 13 April 2021
“Existing VBill (Cayman) Share Option Scheme”	the share option scheme of VBill (Cayman) adopted on 16 October 2020, a summary of principal terms of which are set out in the circular of the Company dated 28 October 2020

DEFINITIONS

“Grantee”	any Eligible Participant who accepts an Offer or (where the context so permits) his/her personal representatives
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved at the Special General Meeting, a summary of principal terms of which is set out in Appendix I to this circular
“New VBill (Cayman) Share Option Scheme”	the new share option scheme of VBill (Cayman) proposed to be approved at the Special General Meeting, a summary of principal terms of which is set out in Appendix II to this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date, which must be a business day, on which an Offer is made to an Eligible Participant
“Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the Existing Share Option Scheme or the New Share Option Scheme

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“Option Period”	in respect of any particular Option, a period (which may not expire later than ten (10) years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Share Option Scheme; and (ii) ten (10) years from the Offer Date of that Option
“PRC”	the People’s Republic of China, and for the purpose of this circular excluding Hong Kong, Taiwan and the Macau Special Administrative Region
“Principal Subsidiary”	has the meaning as defined under Rule 17.14 of the Listing Rules
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	directors and employees of the Related Entities
“Remuneration Committee”	the remuneration committee of the Board
“Scheme Mandate Limit”	the initial maximum number of Shares that may be issued in respect of all Options and Awards to be granted under the Share Scheme(s)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) in the share capital of the Company
“Share Scheme(s)”	the New Share Option Scheme, any other share option scheme(s) and share award scheme(s) involving new Shares adopted or to be adopted by the Company
“Shareholder(s)”	the holder(s) of the Share(s)

DEFINITIONS

“Special General Meeting”	the special general meeting of the Company to be held on Monday, 12 June 2023 at 3:00 p.m., or any adjournment thereof (as the case may be) at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
“Special General Meeting Notice”	the notice dated 25 May 2023 convening the Special General Meeting as set out on pages 43 to 45 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VBill (Cayman)”	Vbill Limited, a company incorporated in the Cayman Islands with limited liability and is wholly-owned by the Company as at the Latest Practicable Date
“VBill (Cayman) Award(s)”	VBill Cayman Share(s) granted or to be granted under any share award scheme(s) adopted or to be adopted by VBill (Cayman), involving the grant of new VBill (Cayman) Shares by VBill (Cayman)
“VBill (Cayman) Board”	the board of VBill (Cayman) Directors
“VBill (Cayman) Directors”	the directors of VBill (Cayman)
“VBill (Cayman) Eligible Participant(s)”	any person(s) belonging to any of the following classes of participants who may be invited by the VBill (Cayman) Directors to take up VBill (Cayman) Option(s): (a) the VBill (Cayman) Employee Participant(s); and (b) the VBill (Cayman) Related Entity Participant(s)

DEFINITIONS

“VBill (Cayman) Employee Participant(s)”	directors and employees of VBill (Cayman) or any of its subsidiaries (including persons who are granted VBill (Cayman) Options under the New VBill (Cayman) Share Option Scheme as an inducement to enter into employment contracts with such companies)
“VBill (Cayman) Grantee”	any VBill (Cayman) Eligible Participant who accepts a VBill (Cayman) Offer or (where the context so permits) his/her personal representatives
“VBill (Cayman) Group”	VBill (Cayman) and its subsidiaries
“VBill (Cayman) Offer”	an offer for the grant of a VBill (Cayman) Option made in accordance with the New VBill (Cayman) Share Option Scheme
“VBill (Cayman) Offer Date”	the date, which must be a business day, on which a VBill (Cayman) Offer is made to a VBill (Cayman) Eligible Participant
“VBill (Cayman) Option(s)”	as the context may require, any option(s) granted or (as the case may be) to be granted to eligible participant(s) to subscribe for Share(s) under the Existing VBill (Cayman) Share Option Scheme or the New VBill (Cayman) Share Option Scheme
“VBill (Cayman) Option Period”	in respect of any particular VBill (Cayman) Option, a period (which may not expire later than ten (10) years from the VBill (Cayman) Offer Date of that VBill (Cayman) Option) to be determined and notified by the VBill (Cayman) Directors to the VBill (Cayman) Grantee thereof and, in the absence of such determination, from the VBill (Cayman) Offer Date to the earlier of (i) the date on which such VBill (Cayman) Option lapses under the provisions of the New VBill (Cayman) Share Option Scheme; and (ii) ten (10) years from the VBill (Cayman) Offer Date of that VBill (Cayman) Option
“VBill (Cayman) Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of VBill (Cayman)

DEFINITIONS

“VBill (Cayman) Related Entity Participant(s)”	directors and employees of VBill (Cayman) Related Entities
“VBill (Cayman) Scheme Mandate Limit”	the initial maximum number of VBill (Cayman) Shares that may be issued in respect of all VBill (Cayman) Options and VBill (Cayman) Awards to be granted under the VBill (Cayman) Share Scheme(s)
“VBill (Cayman) Share(s)”	shares(s) of VBill (Cayman) of US\$1 each
“VBill (Cayman) Share Scheme(s)”	the New VBill (Cayman) Share Option Scheme, any other share option scheme(s) and share award scheme(s) involving new VBill (Cayman) Shares adopted or to be adopted by VBill (Cayman)
“VBill (Cayman) Shareholder(s)”	the shareholder(s) of VBill (Cayman)
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

Executive Directors:

Mr. XU Wensheng (*Chairman*)
Mr. KUI Man Chun (*Chief Executive Officer*)
Mr. LI Wenjin
Mr. XU Changjun

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Mr. TAM Chun Fai
Mr. LEUNG Wai Man, Roger
Mr. LI Heguo

*Head Office and Principal Place
of Business:*

Room 2515, 25th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

25 May 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME, AND
PROPOSED ADOPTION OF
THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Special General Meeting for, inter alia, (i) the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; (ii) the adoption of the New VBill (Cayman) Share Option Scheme; and (iii) a notice of the Special General Meeting.

* *For identification purpose only*

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

In view of the Stock Exchange's recent amendments to the Listing Rules relating to share options schemes and share award schemes of listed issuers (which came into effect on 1 January 2023) (the "Share Schemes Amendments"), the Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme.

The Existing Share Option Scheme

The adoption date of the Existing Share Option Scheme was 18 May 2021. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and effective until 18 May 2031, being ten (10) years after the adoption date of the Existing Share Option Scheme.

Pursuant to the terms of the Existing Share Option Scheme, the Company may by resolution in general meeting at any time early terminate the operation of the Existing Share Option Scheme. In such event no further Options will be offered but the provisions of the Existing Share Option Scheme regarding any outstanding Options shall remain in full force and effect. Such Options shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. Since its adoption date and as at the Latest Practicable Date, no Option has been granted under the Existing Share Option Scheme.

The New Share Option Scheme

The Directors consider the New Share Option Scheme will enable the Group to incentivise and reward its employees, directors and other Eligible Participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before it can be exercised on a case-by-case basis, and that the subscription price of an Option cannot in any event fall below the price as stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that the Grantee(s) of an Option will make an effort to contribute to the growth and development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

LETTER FROM THE BOARD

The New Share Option Scheme enables the Company to grant Option(s) to Eligible Participant(s) including Employee Participant(s) and Related Entity Participant(s). The Board is of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to Employee Participant(s) to work towards enhancing the enterprise value and achieving long-term objectives for the benefit of the Group as a whole. The Board (including the independent non-executive Directors) also considers that it is beneficial to include Related Entity Participant(s) since a sustainable and stable relationship with them is essential to the business development of the Group.

More specifically, the Board (including the independent non-executive Directors) is of the view that the Company and the Related Entity Participants have always had close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, they are nonetheless valuable human resources to the Group. Given the close corporate and collaborative relationships among the Related Entity Participants, they may engage in projects or business arrangements relating to or having connections with the Group's business and development. In view of the relevant Related Entity Participants' respective and joint participation and involvement in the Group's work projects from time to time, in addition to their concerted efforts in mixed and multiple roles and capacities, the Board considers that it is important to recognise their contribution or future contribution by giving them incentive through their participation in the New Share Option Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from their good performance. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme, to include the Related Entity Participants, whom the Company can incentivise with the grant of Options in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entity Participants and the Group.

Pursuant to the terms of the New Share Option Scheme, the Board shall have the right to determine and select Eligible Participant(s) to whom the Option(s) shall be granted. The eligibility of any of the Eligible Participant(s) to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

As at the Latest Practicable Date, there were 2,776,833,835 Shares in issue. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of adoption of the New Share Option Scheme, and subject to the passing of the relevant resolutions at the Special General Meeting, the Scheme Mandate Limit will be 277,683,383 Shares, being 10% of the Company's issued share capital as at the date of approval of the New Share Option Scheme by the Shareholders at the Special General Meeting. The Scheme Mandate Limit may however be refreshed as detailed in paragraph 3(b) of Appendix I to this circular.

LETTER FROM THE BOARD

No trustee has been appointed under the New Share Option Scheme. None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A Grantee under the New Share Option Scheme is required to hold an Option for a minimum vesting period and, if applicable, achieve the performance targets as specified in the Offer to such Grantee before it can be exercised as detailed in paragraphs (7) and (8) of Appendix I to this circular respectively. The subscription price for Shares on exercise of the Options under the New Share Option Scheme, shall be no less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the relevant Offer; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the relevant Offer.

Conditions of the adoption of the New Share Option Scheme

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

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme; and
- (b) the passing of the necessary resolutions by the Shareholders at the Special General Meeting to approve and adopt the New Share Option Scheme.

General

A summary of the principal terms of the New Share Option Scheme which are proposed to be approved and adopted by the Company at the Special General Meeting is set out in Appendix I to this circular. A copy of the rules of the New Share Option Scheme will be published on the Stock Exchange's website and the Company's website for 14 days from the date of this circular.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Option(s) granted under the New Share Option Scheme (up to 10% of the Shares in issue as at the date of the Special General Meeting).

As at the Latest Practicable Date, no Option has been granted or agreed to be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

3. PROPOSED ADOPTION OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

In view of the Share Schemes Amendments, each of the VBill (Cayman) Board and the Board has resolved to terminate the Existing VBill (Cayman) Share Option Scheme, effective upon the adoption of the New VBill (Cayman) Share Option Scheme.

The Existing VBill (Cayman) Share Option Scheme

The effective date of the Existing VBill (Cayman) Share Option Scheme was 18 November 2020. Pursuant to the terms of the Existing VBill (Cayman) Share Option Scheme, it shall be valid and effective until 18 November 2030, being ten (10) years after the effective date of the Existing VBill (Cayman) Share Option Scheme.

Pursuant to the terms of the Existing VBill (Cayman) Share Option Scheme, the VBill (Cayman) Board may at any time early terminate the operation of the Existing VBill (Cayman) Share Option Scheme. In such event no further VBill (Cayman) Options will be offered but the provisions of the Existing VBill (Cayman) Share Option Scheme regarding any outstanding VBill (Cayman) Options shall remain in full force and effect. Such VBill (Cayman) Options shall continue to be valid and exercisable in accordance with the terms of the Existing VBill (Cayman) Share Option Scheme. Since its adoption date and as at the Latest Practicable Date, no VBill (Cayman) Option has been granted under the Existing VBill (Cayman) Share Option Scheme.

The VBill (Cayman) Board has resolved to early terminate the Existing VBill (Cayman) Share Option Scheme with effect from the date on which the adoption of the New VBill (Cayman) Share Option Scheme is approved by the Shareholders at the Special General Meeting.

The New VBill (Cayman) Share Option Scheme

As at the Latest Practicable Date, VBill (Cayman) was a Principal Subsidiary of the Company. Therefore, pursuant to Rule 17.13 of the Listing Rules, Rules 17.02 to 17.04 and Rules 17.06 to 17.09, with appropriate modifications, apply to the New VBill (Cayman) Share Option Scheme as if it was a share scheme of the Company as described in Rule 17.01(1).

LETTER FROM THE BOARD

The Directors consider the New VBill (Cayman) Share Option Scheme will enable VBill (Cayman) to incentivise and reward its employees, directors and other VBill (Cayman) Eligible Participants for their contribution to the VBill (Cayman) Group and will also assist the VBill (Cayman) Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the VBill (Cayman) Group. Given that the VBill (Cayman) Directors are entitled to determine any performance targets to be achieved as well as the minimum period that a VBill (Cayman) Option must be held before it can be exercised on a case-by-case basis, and that the subscription price of a VBill (Cayman) Option cannot in any event fall below the price as stipulated in the Listing Rules or such higher price as may be fixed by the VBill (Cayman) Directors, it is expected that the VBill (Cayman) Grantee(s) of a VBill (Cayman) Option will make an effort to contribute to the growth and development of the VBill (Cayman) Group.

The New VBill (Cayman) Share Option Scheme enables VBill (Cayman) to grant VBill (Cayman) Option(s) to VBill (Cayman) Eligible Participant(s) including VBill (Cayman) Employee Participant(s) and VBill (Cayman) Related Entity Participant(s). The Board is of the view that the adoption of the New VBill (Cayman) Share Option Scheme aligns with the market practice of providing incentives to VBill (Cayman) Employee Participant(s) to work towards enhancing the enterprise value and achieving long-term objectives for the benefit of the VBill (Cayman) Group as a whole. The Board (including the independent non-executive Directors) also considered that it is beneficial to include VBill (Cayman) Related Entity Participant(s) since a sustainable and stable relationship with them is essential to the business development of the VBill (Cayman) Group.

More specifically, the Board (including the independent non-executive Directors) is of the view that VBill (Cayman) and the VBill (Cayman) Related Entity Participants have always had close working relationship. Despite that VBill (Cayman) Related Entity Participants may not be directly appointed and employed by the members of the VBill (Cayman) Group, they are nonetheless valuable human resources to the VBill (Cayman) Group. Given the close corporate and collaborative relationships among the VBill (Cayman) Related Entity Participants, they may engage in projects or other business arrangements relating to or having connections with the VBill (Cayman) Group's business and development. In view of the relevant VBill (Cayman) Related Entity Participants' respective and joint participation and involvement in VBill (Cayman) Group's work projects from time to time, in addition to their concerted efforts in mixed and multiple roles and capacities, the Board considers that it is important to recognise the contribution or future contribution of such VBill (Cayman) Related Entity Participants by giving them incentive through their participation in the New VBill (Cayman) Share Option Scheme. In particular, for those VBill (Cayman) Related Entities in which the VBill (Cayman) Group has significant interest, their growth and development would contribute to the financial performance of the VBill (Cayman) Group, thereby allowing the VBill (Cayman) Group to share and benefit from their good performance. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New VBill (Cayman) Share Option Scheme to include the VBill (Cayman) Related Entity Participants, whom VBill (Cayman) can incentivise with the grant of VBill (Cayman) Options in order to strengthen their loyalty with the VBill (Cayman) Group even though they may not be directly employed by the VBill (Cayman) Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the VBill (Cayman) Related Entity Participants and the VBill (Cayman) Group.

LETTER FROM THE BOARD

Pursuant to the terms of the New VBill (Cayman) Share Option Scheme, the VBill (Cayman) Board shall have the right to determine and select VBill (Cayman) Eligible Participant(s) to whom the VBill (Cayman) Option(s) shall be granted. The eligibility of any of the VBill (Cayman) Eligible Participant(s) to a VBill (Cayman) Offer shall be determined by the VBill (Cayman) Directors from time to time on the basis of their contribution to the development and growth of the VBill (Cayman) Group.

As at the Latest Practicable Date, there were 8,004 VBill (Cayman) Shares in issue. Assuming that there is no change in the issued share capital of VBill (Cayman) between the period from the Latest Practicable Date and the date of adoption of the New VBill (Cayman) Share Option Scheme, and subject to the passing of the relevant resolutions, the VBill (Cayman) Scheme Mandate Limit will be 800 VBill (Cayman) Shares, being 10% of VBill (Cayman)'s issued share capital as at the date of approval of the New VBill (Cayman) Share Option Scheme by the Shareholders at the Special General Meeting. The VBill (Cayman) Scheme Mandate Limit may however be refreshed as detailed in paragraph 3(b) of Appendix II to this circular.

No trustee has been appointed under the New VBill (Cayman) Share Option Scheme. None of the VBill (Cayman) Directors is a trustee of the New VBill (Cayman) Share Option Scheme nor has a direct or indirect interest in the trustee.

A VBill (Cayman) Grantee under the New VBill (Cayman) Share Option Scheme is required to hold a VBill (Cayman) Option for a minimum vesting period and, if applicable, achieve the performance targets as specified in the VBill (Cayman) Offer to such VBill (Cayman) Grantee before it can be exercised as detailed in paragraphs (7) and (8) of Appendix II to this circular respectively. The subscription price for VBill (Cayman) Shares on exercise of the VBill (Cayman) Options under the New VBill (Cayman) Share Option Scheme shall be no less than the nominal value of a VBill (Cayman) Share.

Conditions of the adoption of the New VBill (Cayman) Share Option Scheme

The adoption of the New VBill (Cayman) Share Option Scheme is conditional upon:

- (a) the passing of the necessary resolutions of the shareholders of VBill (Cayman) to approve and adopt the New VBill (Cayman) Share Option Scheme; and
- (b) the passing of the necessary resolutions by the Shareholders at the Special General Meeting to approve and adopt the New VBill (Cayman) Share Option Scheme.

LETTER FROM THE BOARD

General

A summary of the principal terms of the rules of the New VBill (Cayman) Share Option Scheme which are proposed to be approved by the Company at the Special General Meeting is set out in Appendix II to this circular. A copy of the rules of the New VBill (Cayman) Share Option Scheme will be published on the Stock Exchange's website and the Company's website for 14 days from the date of this circular.

As at the Latest Practicable Date, no VBill (Cayman) Option has been granted or agreed to be granted under the New VBill (Cayman) Share Option Scheme.

4. SPECIAL GENERAL MEETING

The notice convening the Special General Meeting to be held on Monday, 12 June 2023 at 3:00 p.m. is set out on pages 43 to 45 of this circular.

At the Special General Meeting, ordinary resolutions will be proposed to approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme, and the adoption of the New VBill (Cayman) Share Option Scheme.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the Special General Meeting under the Listing Rules.

5. ACTION TO BE TAKEN

The proxy form for use at the Special General Meeting is attached to this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hisun.com.hk). Whether or not you intend to attend the Special General Meeting, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the Special General Meeting. Completion and delivery of the proxy form will not preclude Shareholders from attending and voting in person at the Special General Meeting if they so wish.

6. VOTING BY WAY OF POLL AT THE SPECIAL GENERAL MEETING

Rule 13.39(4) of the Listing Rules requires that all votes of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the Special General Meeting will put each of the proposed resolutions set out in the Special General Meeting Notice to be voted on by way of poll at the Special General Meeting pursuant to Bye-law 66 and the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hisun.com.hk) after the conclusion of the Special General Meeting pursuant to the Listing Rules.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

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

8. RECOMMENDATION

The Directors consider that the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme and the adoption of the New VBill (Cayman) Share Option Scheme are in the interests of the Company and Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the Special General Meeting Notice.

9. GENERAL INFORMATION

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

If Shareholders have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, please contact our investor relations department as follows:

Investor Relations
Email: ir@hisun.com.hk
Tel: (852) 2588 8841
Fax: (852) 2802 3300

Yours faithfully,
By Order of the Board
Hi Sun Technology (China) Limited
Hui Lok Yan
Company Secretary

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the Special General Meeting:

(1) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to recruit and retain high-calibre Eligible Participants and attract human resources that are valuable to the Group.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the New Share Option Scheme and the Listing Rules, make an Offer to any of the following Eligible Participant(s) to subscribe for Shares:

- (a) directors and employees of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with such companies) (“Employee Participant(s)”); and
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“Related Entity Participant(s)”).

For the avoidance of doubt, no grant of any Options by the Company shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion in their absolute discretion as to his contribution or potential contribution to the development and growth of the Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by such Eligible Participant which are beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought or may bring to the Group's business and development and whether making an Offer to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to (b) and (c) below, the total number of Shares which may be issued in respect of all Options and Awards to be granted under the New Share Option Scheme and any other Share Scheme(s) must not in aggregate exceed 10% of the Shares in issue on the date which the New Share Option Scheme is approved by the Shareholders, which is 277,683,383 Shares (assuming there will be no change in the number of the issued Shares between the Latest Practicable Date and the date of approval of the New Share Option Scheme) ("Scheme Mandate Limit").

- (b) The Company may obtain approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit after three (3) years from the date the New Share Option Scheme is approved by the Shareholders or the date of Shareholders' approval for the last refreshment provided that:
 - (i) the total number of Shares which may be issued in respect of all Options and Awards to be granted under all of the Share Schemes under the Scheme Mandate Limit as refreshed ("New Scheme Limit") must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit;

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- (ii) any refreshment to the Scheme Mandate Limit within any three (3)-year period must be approved by the Shareholders, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive 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 in accordance with the requirements under the Listing Rules; and
 - (iii) the requirements under (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (c) Without prejudice to (b) above, the Company may seek separate Shareholders' approval in general meeting to grant Options under the New Share Option Scheme beyond the Scheme Mandate Limit, provided the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval.

(4) LIMIT ON LARGE GRANT OF OPTIONS TO INDIVIDUAL ELIGIBLE PARTICIPANT

Where any grant of Options to a Grantee would result in the Shares issued and to be issued in respect of all options and Awards granted to such Grantee (excluding any options or Awards lapsed in accordance with the terms of the Share Scheme(s)) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or associates where such Grantee is a connected person of the Company) abstaining from voting.

(5) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the New Share Option Scheme to any director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Options).

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- (b) Where any grant of Options to an independent non-executive Director or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and Awards already granted (excluding any options or Awards lapsed in accordance with the terms of the Share Scheme(s)) to such person in the twelve (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 the Shareholders in general meeting.

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

**(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND
EXERCISE OF OPTION**

An Offer shall remain open for acceptance by the Eligible Participant concerned for a period of up to twenty-one (21) days from the Offer Date and the Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted on the Offer Date, subject to vesting.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on a day upon which the Offer for the grant of Option is made but may not end later than ten (10) years from the Offer Date subject to the provisions for early termination thereof.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

(7) VESTING PERIOD

The vesting period in respect of any Option granted to any Eligible Participant shall not be less than 12 months from the Offer Date, provided that where the Eligible Participant is an Employee Participant, the Remuneration Committee (in the case where such Employee Participant is a Director or a senior manager identified by the Company) or the Directors (in the case where such Employee Participant is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New Share Option Scheme, including where:

- (a) grants of “make-whole” Options to Employee Participants who newly join the Group to replace the share options they forfeited when leaving the previous employers;
- (b) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (c) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months.

Notwithstanding the terms and conditions of the New Share Option Scheme, the Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to clawback and/or a longer vesting period if any of the Clawback Events (as defined in paragraph (9) below) shall occur.

The Directors and the Remuneration Committee are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant Options in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

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(8) PERFORMANCE TARGET

Subject to the terms and conditions of the New Share Option Scheme, the Directors may establish performance targets against the attainment of which the Options granted to the Eligible Participant concerned may be exercised either in whole or in part. The Directors shall have the authority, after the grant of any Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during an Option Period due to any change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Directors.

Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit after tax) as well as that for the Eligible Participants based on individual performance indicators relevant to their roles and responsibilities (such as revenue growth rate by existing/new markets or by existing/new products, number of new product development, production yield). The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of the performance period by comparing the performance of the business segments and the individual performance of the Eligible Participants with the pre-agreed targets to determine whether the targets and the extents to which have been met.

(9) CLAWBACK MECHANISM

The Directors may provide in the notice of the Offer that any Option prior to it being exercised may be subject to the clawback mechanism that if any of the following events ("Clawback Events") shall occur during an Option Period:

- (a) the Grantee being involved in any wrongdoing involving material misstatement in the audited financial statements of the Company that requires a restatement;
- (b) the Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria;
- (c) the Grantee's employment being terminated summarily;
- (d) the Grantee being convicted of any criminal offence involving his integrity or honesty;
or;

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- (e) if a grant or the exercise of any Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the Directors may by notice in writing to the Grantee concerned (i) claw back such number of Options (to the extent not being exercised) granted as the Directors may consider appropriate; and/or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

(10) EXERCISE OF OPTIONS

Subject to paragraphs (7), (8) and (9) and unless otherwise determined by the Directors and stated in the Offer to a Grantee, (i) a Grantee is not required to hold an Option for any minimum period and, if applicable, achieve the performance targets before any Options granted to him can be exercised; and (ii) any Option granted is not subject to the clawback mechanism referred to in paragraph (9) above.

(11) SUBSCRIPTION PRICE FOR SHARES

The subscription price in respect of any Option shall be a price determined at the discretion of the Directors, but shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the Offer Date.

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Option.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

(12) RANKING OF SHARES

Shares to be issued upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank pari passu in all respects (including voting, dividend, transfer and other rights, including those arising on a liquidation of the Company) with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“Exercise Date”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. No dividend (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised. A Share issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

(13) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange: (a) the Company may not grant any Options after inside information has come to its knowledge until the trading day after it has announced such information. In particular, the Company may not grant any Option during the period commencing one (1) month immediately before the earlier of (i) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the last date on which the Company must announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), including any period of delay in publishing the results announcement and ending on the date of the results announcement; and (b) the Directors may not make any Offer to an Eligible Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the periods or times in which such Eligible Participant is prohibited from dealing in Shares pursuant to such code.

(14) PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the New Share Option Scheme is adopted.

**APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE
NEW SHARE OPTION SCHEME**

(15) RIGHTS ON CEASING EMPLOYMENT

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same for any reason other than death, ill-health or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in paragraph (17) below before exercising his/her Option in full, the Option (to the extent not yet exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent vested but not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall be forfeited and cancelled on the date of cessation of employment.

(16) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his/her personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent vested but not yet exercised) in whole or in part within a period of twelve (12) months following the date of cessation which date shall be the last day on which the Grantee was at work with the Group or the relevant related entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine. In respect of those Options that have been vested but the performance targets stated in the Offer have not been satisfied, the Directors may, by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the Grantee or, his personal representative(s) may exercise such number of Options and within such time as the Directors may consider appropriate, subject to any conditions or limitations as they may impose. For the avoidance of doubt, save as provided in the foregoing, all unvested Options shall be forfeited and cancelled on the date of cessation of employment.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

(17) RIGHTS ON DISMISSAL

If the Grantee is an Employee Participant or a Related Entity Participant and ceases to be the same by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), or (if so determined by the Directors) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under such Grantee's service contract with the Group or the relevant related entity, his/her Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Employee Participant or a Related Entity Participant.

(18) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, the Grantee shall be entitled to exercise his/her Option (to the extent vested but not yet exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his Option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the expiry of the said period.

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such scheme or arrangement, and thereupon any Grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his Option (to the extent vested but not yet exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, all Option (whether vested or unvested) then outstanding shall lapse and determine on the date the proposed compromise or arrangement becomes effective.

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(19) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) business days prior to the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent vested but not yet exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall issue to the Grantee of the Shares in respect of which such Grantee has exercised his/her Option not less than one (1) business day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares issued in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(20) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, to which the New Share Option Scheme or any Option relates and/or the subscription price of the Option concerned, provided that (i) any adjustments shall give a Grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such applicable rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustment(s) satisfy the requirements of the relevant provision of the Listing Rules.

Unless otherwise stipulated by the applicable laws, the effective date of any adjustment shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to above, the day on which the Shares relating to such event are allotted or, as the case may be, created.

APPENDIX I SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

(21) CANCELLATION OF SHARES

Save as to breach of paragraph (23) and subject to Chapter 17 of the Listing Rules, any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant Grantee and the approval of the Directors.

When the Company cancels any Option granted to a Grantee but not exercised and grants new Option(s) to the same Grantee, the grant of such new Option(s) may only be made with available Scheme Mandate Limit or the limits approved by the Shareholders pursuant to sub-paragraph (3)(b) above.

(22) TERMINATION

The operation of the New Share Option Scheme may by resolutions of the Directors be terminated at any time but in any event shall not be later than the date which falls ten (10) years after the adoption date of the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already vested or exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already vested or exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(23) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and, subject to the applicable provisions of the Listing Rules, shall not be transferable or assignable.

(24) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (15), (16), (17), (18) and (19); or (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (23) above by the Grantee.

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(25) OTHERS

- (a) The New Share Option Scheme is conditional on the passing of the necessary resolutions to approve and adopt the New Share Option Scheme and the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any Options which may be granted under the New Share Option Scheme, representing the Scheme Mandate Limit.
- (b) Without prejudice to sub-paragraphs (c) to (e) below, the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that any alterations the terms and conditions of the New Share Option Scheme which are of a material nature or any alteration to the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Grantees or prospective Grantees must be approved by the Shareholders in general meeting.
- (c) Save for any alteration(s) which takes effect automatically under the existing terms of the New Share Option Scheme, any change to the terms of the Options granted to a Grantee (including the adjustments to the prescribed performance targets referred to in paragraph (8) above) must be approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe).
- (d) The amended terms of the New Share Option Scheme and/or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Directors or the administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme shall be approved by the Shareholders in general meeting.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

The following is a summary of the principal terms of the New VBill (Cayman) Share Option Scheme proposed to be adopted at the Special General Meeting:

(1) PURPOSE OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

The purposes of the VBill (Cayman) Share Option Scheme are to enable VBill (Cayman) to grant VBill (Cayman) Options to the VBill (Cayman) Eligible Participants as incentives or rewards for their contribution or potential contribution to the growth and development of the VBill (Cayman) Group and/or to enable the VBill (Cayman) Group to recruit and retain high-calibre VBill (Cayman) Eligible Participants and attract human resources that are valuable to the VBill (Cayman) Group.

(2) WHO MAY JOIN

The VBill (Cayman) Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may subject to the provisions of the New VBill (Cayman) Share Option Scheme and the Listing Rules, invite any of the following VBill (Cayman) Eligible Participant(s) to subscribe for VBill (Cayman) Shares:

- (a) directors and employees of VBill (Cayman) or any of its subsidiaries (including persons who are granted VBill (Cayman) Options under the New VBill (Cayman) Share Option Scheme as an inducement to enter into employment contracts with such companies) (“VBill (Cayman) Employee Participant(s)”); and
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of VBill (Cayman) (“VBill (Cayman) Related Entity Participant(s)”).

For the avoidance of doubt, no grant of any VBill (Cayman) Options by VBill (Cayman) shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by VBill (Cayman) or the VBill (Cayman) Directors of any applicable securities laws and regulations in any jurisdiction.

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The basis eligibility of any of the VBill (Cayman) Eligible Participants to a VBill (Cayman) Offer shall be determined by the VBill (Cayman) Directors from time to time on the basis of the VBill (Cayman) Directors' opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the VBill (Cayman) Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such VBill (Cayman) Eligible Participant to the VBill (Cayman) Group, the special skills or technical knowledge possessed by such VBill (Cayman) Eligible Participant which are beneficial to the continuing development of the VBill (Cayman) Group, the positive impacts which such VBill (Cayman) Eligible Participant has brought or may bring to the VBill (Cayman) Group's business and development and whether making an Offer to such VBill (Cayman) Eligible Participant is an appropriate incentive to motivate such VBill (Cayman) Eligible Participant to continue to contribute towards the betterment of the VBill (Cayman) Group.

(3) MAXIMUM NUMBER OF VBILL (CAYMAN) SHARES AVAILABLE FOR SUBSCRIPTION

- (a) Subject to (b) and (c) below, the total number of VBill (Cayman) Shares which may be issued in respect of all VBill (Cayman) Options and VBill (Cayman) Awards to be granted under the New VBill (Cayman) Share Option Scheme and any other VBill (Cayman) Share Scheme(s) must not in aggregate exceed 10% of the VBill (Cayman) Shares in issue on the date which the New VBill (Cayman) Share Option Scheme is approved by the Shareholders, which is 800 VBill (Cayman) Shares (assuming there will be no change in the number of the issued VBill (Cayman) Shares between the Latest Practicable Date and the date of approval of the New VBill (Cayman) Share Option Scheme) ("VBill (Cayman) Scheme Mandate Limit").

- (b) VBill (Cayman) may obtain approval of the Shareholders in general meeting to refresh the VBill (Cayman) Scheme Mandate Limit after three (3) years from the date the New VBill (Cayman) Share Option Scheme is approved by the Shareholders or the date of Shareholders' approval for the last refreshment provided that:
 - (i) the total number of VBill (Cayman) Shares which may be issued in respect of all VBill (Cayman) Options and VBill (Cayman) Awards to be granted under all of the VBill (Cayman) Share Schemes under the VBill (Cayman) Scheme Mandate Limit as refreshed ("VBill (Cayman) New Scheme Limit") must not exceed 10% of the VBill (Cayman) Shares in issue at the date of the Shareholders' approval of such VBill (Cayman) New Scheme Limit; and

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

- (ii) any refreshment to the VBill (Cayman) Scheme Mandate Limit within any three (3)-year period must be approved by the Shareholders, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive 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 in accordance with the requirements under the Listing Rules.

- (c) Without prejudice to (b) above, VBill (Cayman) may seek separate Shareholders' approval in general meeting to grant VBill (Cayman) Options under the New VBill (Cayman) Share Option Scheme beyond the VBill (Cayman) Scheme Mandate Limit, provided the VBill (Cayman) Options in excess of the VBill (Cayman) Scheme Mandate Limit are granted only to VBill (Cayman) Eligible Participants specifically identified by VBill (Cayman) before such approval is sought. The number and terms of VBill (Cayman) Options to be granted to such VBill (Cayman) Eligible Participant must be fixed before Shareholders' approval.

(4) LIMIT ON LARGE GRANT OF VBILL (CAYMAN) OPTIONS TO INDIVIDUAL VBILL (CAYMAN) ELIGIBLE PARTICIPANT

Where any grant of VBill (Cayman) Options to a VBill (Cayman) Grantee would result in the VBill (Cayman) Shares issued and to be issued in respect of all VBill (Cayman) Options and VBill (Cayman) Awards granted to such VBill (Cayman) Grantee (excluding any options or VBill (Cayman) Awards lapsed in accordance with the terms of the VBill (Cayman) Share Scheme(s)) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the VBill (Cayman) Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such VBill (Cayman) Grantee and his close associates (or associates where such VBill (Cayman) Grantee is a connected person of the Company) abstaining from voting.

(5) GRANT OF VBILL (CAYMAN) OPTIONS TO CONNECTED PERSONS

- (a) Any grant of VBill (Cayman) Options under the New VBill (Cayman) Share Option Scheme to any director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed VBill (Cayman) Grantee of the VBill (Cayman) Options).

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

- (b) Where any grant of VBill (Cayman) Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the VBill (Cayman) Shares issued and to be issued upon exercise of all VBill (Cayman) Options and VBill (Cayman) Awards already granted (excluding any VBill (Cayman) Options or VBill (Cayman) Awards lapsed in accordance with the terms of the VBill (Cayman) Share Scheme(s) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the VBill (Cayman) Shares in issue, such further grant of VBill (Cayman) Options must be approved by the Shareholders in general meeting.

- (c) Any change in the terms of VBill (Cayman) Options granted to an VBill (Cayman) Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Shareholders in accordance with the Listing Rules if the initial grant of the VBill (Cayman) Options requires such approval in accordance with the terms of the New VBill (Cayman) Share Option Scheme and the Listing Rules (except where the changes take effect automatically under the existing terms of the New VBill (Cayman) Share Option Scheme).

(6) TIME OF ACCEPTANCE OF AN OFFER OF THE GRANT OF OPTION AND EXERCISE OF OPTION

VBill (Cayman) Offer shall remain open for acceptance by the VBill (Cayman) Eligible Participant concerned for a period of up to twenty-one (21) days from the VBill (Cayman) Offer Date and the VBill (Cayman) Option in respect of the number of VBill (Cayman) Shares in respect of which the VBill (Cayman) Offer was so accepted will be deemed to have been granted on the VBill (Cayman) Offer Date.

A VBill (Cayman) Option may be exercised in accordance with the terms of the New VBill (Cayman) Share Option Scheme at any time during a period to be determined and notified by the VBill (Cayman) Directors to each VBill (Cayman) Grantee, which period may commence on a day upon which the VBill (Cayman) Offer for the grant of VBill (Cayman) Option is made but may not end later than ten (10) years from the VBill (Cayman) Option Date subject to the provisions for early termination thereof.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(7) VESTING PERIOD

The vesting period in respect of any VBill (Cayman) Option granted to any VBill (Cayman) Eligible Participant shall not be less than 12 months from the VBill (Cayman) Offer Date, provided that where the VBill (Cayman) Eligible Participant is a VBill (Cayman) Employee Participant, the Remuneration Committee (in the case where such VBill (Cayman) Employee Participant is a Director or a senior manager identified by the Company) or the Directors (in the case where such VBill (Cayman) Employee Participant is neither a Director nor a senior manager identified by the Company) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Directors) considers that a shorter vesting period is appropriate to align with the purpose of the New VBill (Cayman) Share Option Scheme, including where:

- (a) grants of “make-whole” VBill (Cayman) Options to Employee Participants who newly join the VBill (Cayman) Group to replace the share VBill (Cayman) Options they forfeited when leaving the previous employers;
- (b) grants of VBill (Cayman) Options with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (c) grants of VBill (Cayman) Options with a mixed or accelerated vesting schedule such as where the VBill (Cayman) Options may vest evenly over a period of twelve (12) months.

Notwithstanding the terms and conditions of the New VBill (Cayman) Share Option Scheme, the VBill (Cayman) Directors may provide in the notice of the VBill (Cayman) Offer that any VBill (Cayman) Option prior to it being exercised may be subject to clawback and/or a longer vesting period if any of the events VBill (Cayman) Clawback Events (as defined in paragraph (a) below) shall occur.

The Directors and the Remuneration Committee are of the view that the discretion in allowing a shorter vesting period in each of the circumstances as detailed above is appropriate and in line with the requirements under the Listing Rules and market practice. Such discretion gives VBill (Cayman) more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant VBill (Cayman) Options in exceptional circumstances where justified, which is in line with the purpose of the New VBill (Cayman) Share Option Scheme.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(8) PERFORMANCE TARGET

Subject to the terms and conditions of the New VBill (Cayman) Share Option Scheme, the VBill (Cayman) Directors may establish performance targets against the attainment of which the VBill (Cayman) Options granted to the VBill (Cayman) Eligible Participant concerned may be exercised either in whole or in part. The VBill (Cayman) Directors shall have the authority, after the grant of any VBill (Cayman) Option which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during a VBill (Cayman) Option Period due to any change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the VBill (Cayman) Directors.

Proposed performance targets include business, financials, operations and creation of capital value for the VBill (Cayman) Group's business segments (such as increase in revenue and net profit after tax) as well as that for the VBill (Cayman) Eligible Participants based on individual performance indicators relevant to their roles and responsibilities (such as revenue growth rate by existing/new markets or by existing/new products, number of new product development, production yield). The VBill (Cayman) Directors will conduct assessment at the end of the performance period by comparing the performance of the business segments and the individual performance of the VBill (Cayman) Eligible Participants with the pre-agreed targets to determine whether the targets and the extents to which have been met.

(9) CLAWBACK MECHANISM

The VBill (Cayman) Directors may provide in the notice of the VBill (Cayman) Offer that any VBill (Cayman) Option prior to it being exercised may be subject to the clawback mechanism that if any of the following events ("VBill (Cayman) Clawback Events") shall occur during a VBill (Cayman) Option Period:

- (a) the VBill (Cayman) Grantee being involved in any wrongdoing involving material misstatement in the audited financial statements of VBill (Cayman) that requires a restatement;
- (b) the VBill (Cayman) Grantee being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria;
- (c) the VBill (Cayman) Grantee's employment being terminated summarily;

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

- (d) the VBill (Cayman) Grantee being convicted of any criminal offence involving his integrity or honesty; or
- (e) if a grant or the exercise of any VBill (Cayman) Option is linked to any performance targets and the VBill (Cayman) Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner,

the VBill (Cayman) Directors may by notice in writing to the VBill (Cayman) Grantee concerned (i) claw back such number of VBill (Cayman) Options (to the extent not being exercised) granted as the VBill (Cayman) Directors may consider appropriate; and/or (ii) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the VBill (Cayman) Options (to the extent not being exercised) to such longer period as the VBill (Cayman) Directors may consider appropriate. The VBill (Cayman) Options that are clawed back will be regarded as cancelled and the VBill (Cayman) Options so cancelled will be regarded as utilised for the purpose of calculating the VBill (Cayman) Scheme Mandate Limit.

(10) EXERCISE OF OPTIONS

Subject to paragraphs (7), (8) and (9), and unless otherwise determined by the VBill (Cayman) Directors and stated in the VBill (Cayman) Offer to a VBill (Cayman) Grantee, (i) a VBill (Cayman) Grantee is not required to hold a VBill (Cayman) Option for any minimum period or, if applicable, achieve the performance targets before any VBill (Cayman) Options granted to him can be exercised; and (ii) any VBill (Cayman) Option granted is not subject to the clawback mechanism referred to in paragraph (9) above.

(11) SUBSCRIPTION PRICE FOR VBILL (CAYMAN) SHARES

The subscription price in respect of any VBill (Cayman) Option shall be a price determined at the discretion by the VBill (Cayman) Directors, but shall not be less than the nominal value of a VBill (Cayman) Share.

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an VBill (Cayman) Option.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

The subscription price of VBill (Cayman) Options granted after VBill (Cayman) has resolved to seek a separate listing of VBill (Cayman) on the Stock Exchange, GEM of the Stock Exchange or an overseas stock exchange and up to the listing date of VBill (Cayman) must be not lower than the new issue price (if any) of VBill (Cayman). In particular, any VBill (Cayman) Options granted during the period commencing six months before the lodgement of Form A1 (or its equivalent for listing on GEM of the Stock Exchange or the overseas stock exchange) up to the listing date of VBill (Cayman) are subject to this requirement. In such event, the VBill (Cayman) Directors shall adjust the subscription price in accordance with the Listing Rules and shall inform the relevant VBill (Cayman) Grantee(s) accordingly.

(12) RANKING OF VBILL (CAYMAN) SHARES

VBill (Cayman) Shares to be issued upon the exercise of a VBill (Cayman) Option will be subject to all the provisions of the articles of association of VBill (Cayman) for the time being in force and will rank *pari passu* in all respects (including voting, dividend, transfer and other rights, including those arising on a liquidation of VBill (Cayman)) with the then existing fully paid VBill (Cayman) Shares in issue on the date on which the VBill (Cayman) Option is duly exercised or, if that date falls on a day when the register of members of VBill (Cayman) is closed, the first day of the re-opening of the register of members (“VBill (Cayman) Exercise Date”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the VBill (Cayman) Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the VBill (Cayman) Exercise Date. No dividend (including distributions made upon the liquidation of VBill (Cayman)) will be payable and no voting rights will be exercisable in relation to a VBill (Cayman) Option that has not been exercised. A VBill (Cayman) Share issued upon the exercise of a VBill (Cayman) Option shall not carry voting rights until the name of the VBill (Cayman) Grantee has been duly entered on the register of members of VBill (Cayman) as the holder thereof.

(13) PERIOD OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

The New VBill (Cayman) Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the New VBill (Cayman) Share Option Scheme is adopted.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(14) RIGHTS ON CEASING EMPLOYMENT

If the VBill (Cayman) Grantee is a VBill (Cayman) Employee Participant or a VBill (Cayman) Related Entity Participant and ceases to be the same for any reason other than death, ill-health or retirement in accordance with his/her contract of employment or for persistent or serious misconduct or other grounds referred to in paragraph (16) below before exercising his/her VBill (Cayman) Option in full, the VBill (Cayman) Option (to the extent not yet exercised) will lapse on the date of cessation and will not be exercisable unless the VBill (Cayman) Directors otherwise determine in which event the VBill (Cayman) Grantee may exercise the VBill (Cayman) Option (to the extent vested but not already exercised) in whole or in part within such period as the VBill (Cayman) Directors may determine following the date of such cessation, which will be taken to be the last day on which the VBill (Cayman) Grantee was at work with the VBill (Cayman) Group or the relevant related entity whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested VBill (Cayman) Options shall be forfeited and cancelled on the date of cessation of employment.

(15) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the VBill (Cayman) Grantee is a VBill (Cayman) Employee Participant or a VBill (Cayman) Related Entity Participant and ceases to be the same by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the VBill (Cayman) Option in full, his/her personal representative(s) or, as appropriate, the VBill (Cayman) Grantee may exercise the VBill (Cayman) Option (to the extent vested but not yet exercised) in whole or in part within a period of twelve (12) months following the date of cessation which date shall be the last day on which the VBill (Cayman) Grantee was at work with the VBill (Cayman) Group or the relevant related entity whether salary is paid in lieu of notice or not or such longer period as the VBill (Cayman) Directors may determine. In respect of those VBill (Cayman) Options that have been vested but the performance targets stated in the VBill (Cayman) Offer have not been satisfied, the VBill (Cayman) Directors may, by reference to the level of attainment of the prescribed performance targets and other equitable factors, determine that the VBill (Cayman) Grantee or, his personal representative(s) may exercise such number of VBill (Cayman) Options and within such time as the VBill (Cayman) Directors may consider appropriate, subject to any conditions or limitations as they may impose. For the avoidance of doubt, save as provided in the foregoing, all unvested VBill (Cayman) Options shall be forfeited and cancelled on the date of cessation of employment.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(16) RIGHTS ON DISMISSAL

If the VBill (Cayman) Grantee is a VBill (Cayman) Employee Participant or a VBill (Cayman) Related Entity Participant and ceases to be the same by reason of a termination of his employment on the grounds that he/she has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the VBill (Cayman) Directors does not bring the VBill (Cayman) Grantee or the VBill (Cayman) Group into disrepute), or (if so determined by the VBill (Cayman) Directors) on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under such VBill (Cayman) Grantee's service contract with the VBill (Cayman) Group or the relevant related entity, his VBill (Cayman) Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be a VBill (Cayman) Employee Participant or a VBill (Cayman) Related Entity Participant.

(17) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of VBill (Cayman) Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, VBill (Cayman) shall use all reasonable endeavours to procure that such offer is extended to all the VBill (Cayman) Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the VBill (Cayman) Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders, the VBill (Cayman) Grantee shall be entitled to exercise his/her Option (to the extent vested but not yet exercised) to its full extent or to the extent specified in the VBill (Cayman) Grantee's notice to VBill (Cayman) in exercise of his/her VBill (Cayman) at any time thereafter and up to the close of such offer (or any revised offer) or the record date of entitlements under scheme of arrangement. Subject to the above, a VBill (Cayman) Option will lapse automatically (to the extent not exercised) on the expiry of the said period.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

In the event of a compromise or arrangement between VBill (Cayman) and its creditors (or any class of them) or between VBill (Cayman) and the VBill (Cayman) Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of VBill (Cayman), VBill (Cayman) shall give notice thereof to all VBill (Cayman) Grantees on the same day as it gives notice of the meeting to the VBill (Cayman) Shareholders or creditors to consider such scheme or arrangement, and thereupon any VBill (Cayman) Grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier the date falling two (2) calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his VBill (Cayman) Option (to the extent vested but not yet exercised), but the exercise of the VBill (Cayman) Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. VBill (Cayman) may thereafter require such VBill (Cayman) Grantee to transfer or otherwise deal with the VBill (Cayman) Shares issued as a result of such exercise of his VBill (Cayman) Option so as to place the VBill (Cayman) Grantee in the same position as nearly as would have been the case had such VBill (Cayman) Shares been subject to such compromise or arrangement. Subject to the above, all VBill (Cayman) Option (whether vested or unvested) then outstanding shall lapse and determine on the date the proposed compromise or arrangement becomes effective.

(18) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of VBill (Cayman) during the VBill (Cayman) Option Period, the VBill (Cayman) Grantee may, subject to the provisions of all applicable laws, by notice in writing to VBill (Cayman) at any time not less than two (2) business days prior to the date on which such resolution is to be considered and/or passed, exercise his VBill (Cayman) Option (to the extent vested but not yet exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New VBill (Cayman) Share Option Scheme and VBill (Cayman) shall issue to the VBill (Cayman) Grantee of the VBill (Cayman) Shares in respect of which such VBill (Cayman) Grantee has exercised his/her VBill (Cayman) Option not less than one (1) business day before the date on which such resolution is to be considered and/or passed whereupon the VBill (Cayman) Grantee shall accordingly be entitled, in respect of the VBill (Cayman) Shares issued in the aforesaid manner, to participate in the distribution of the assets of VBill (Cayman) available in liquidation *pari passu* with the holders of the VBill (Cayman) Shares in issue on the day prior to the date of such resolution. Subject thereto, all VBill (Cayman) Options (whether vested or unvested) then outstanding shall lapse and determine on the commencement of the winding-up of VBill (Cayman).

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(19) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of VBill (Cayman) Shares or reduction of capital of VBill (Cayman) whilst an Option remains exercisable or the New VBill (Cayman) Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors of VBill (Cayman) for the time being or an independent financial adviser to VBill (Cayman) as fair and reasonable will be made to the number or nominal amount of VBill (Cayman) Shares to which the New VBill (Cayman) Share Option Scheme or any the VBill (Cayman) Option relates and/or the subscription price of the VBill (Cayman) Option concerned, provided that (i) any adjustments shall give a VBill (Cayman) Grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of VBill (Cayman) Shares or other securities of the VBill (Cayman) Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such applicable rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser of VBill (Cayman) must confirm to the VBill (Cayman) Directors in writing that the adjustment(s) satisfy the requirements of the relevant provision of the Listing Rules.

Unless otherwise stipulated by the applicable laws, the effective date of any adjustment shall be the triggering event effective date, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of VBill (Cayman) referred to above, the day on which the VBill (Cayman) Shares relating to such event are allotted or, as the case may be, created.

(20) CANCELLATION OF VBILL (CAYMAN) SHARES

Save as to breach of paragraph (22) and subject to Chapter 17 of the Listing Rules, any cancellation of VBill (Cayman) Options granted but not exercised must be subject to the prior written consent of the relevant VBill (Cayman) Grantee and the approval of the VBill (Cayman) Directors.

When VBill (Cayman) cancels any VBill (Cayman) Option granted to a VBill (Cayman) Grantee but not exercised and grants new VBill (Cayman) Option(s) to the same VBill (Cayman) Grantee, the grant of such new Option(s) may only be made with available VBill (Cayman) Scheme Mandate Limit or the limits approved by the Shareholders pursuant to sub-paragraph (3)(b) above.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

(21) TERMINATION

The operation of the New VBill (Cayman) Share Option Scheme may by resolutions of VBill (Cayman) Directors be terminated at any time but in any event shall not be later than the date which falls ten (10) years after the adoption date of the New VBill (Cayman) Share Option Scheme and in such event no further VBill (Cayman) Options shall be offered but in all other respects the provisions of the New VBill (Cayman) Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any VBill (Cayman) Options (to the extent not already vested or exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New VBill (Cayman) Share Option Scheme. VBill (Cayman) Options (to the extent not already vested or exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New VBill (Cayman) Share Option Scheme.

(22) RIGHTS ARE PERSONAL TO THE VBILL (CAYMAN) GRANTEE

An Option is personal to the VBill (Cayman) Grantee and, subject to the applicable provisions of the Listing Rules, shall not be transferable or assignable.

(23) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the VBill (Cayman) Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (14), (15), (16), (17) and (18); or (c) the date on which the VBill (Cayman) Directors exercise VBill (Cayman)'s right to cancel the VBill (Cayman) Option by reason of a breach of paragraph (22) above by the VBill (Cayman) Grantee.

(24) OTHERS

- (a) The New VBill (Cayman) Share Option Scheme is conditional on the passing of the necessary resolutions to approve and adopt the New VBill (Cayman) Share Option Scheme and the passing of the necessary resolutions of VBill (Cayman) Shareholders to approve and adopt the New VBill (Cayman) Share Option Scheme.

APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE NEW VBILL (CAYMAN) SHARE OPTION SCHEME

- (b) Without prejudice to sub-paragraphs (c) to (e) below, the New VBill (Cayman) Share Option Scheme may be altered in any respect by a resolution of the VBill (Cayman) Directors except that any alterations the terms and conditions of the New VBill (Cayman) Share Option Scheme which are of a material nature or any alteration to the provisions of the New VBill (Cayman) Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the VBill (Cayman) Grantees or prospective VBill (Cayman) Grantees must be approved by the Shareholders in general meeting.
- (c) Save for any alteration(s) which takes effect automatically under the existing terms of the New VBill (Cayman) Share Option Scheme, any change to the terms of the VBill (Cayman) Options granted to a VBill (Cayman) Grantee (including the adjustments to the prescribed performance targets referred to in paragraph (8) above) must be approved by the VBill (Cayman) Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the VBill (Cayman) Options was approved by the VBill (Cayman) Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe).
- (d) The amended terms of the New VBill (Cayman) Share Option Scheme and/or the VBill (Cayman) Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the VBill (Cayman) Directors or the administrators of the New VBill (Cayman) Share Option Scheme in relation to any alteration to the terms of the New VBill (Cayman) Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF SPECIAL GENERAL MEETING



HI SUN TECHNOLOGY (CHINA) LIMITED

高陽科技(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 818)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Hi Sun Technology (China) Limited (the “Company”) will be held on Monday, 12 June 2023 at 3:00 p.m. or any adjournment thereof (as the case may be) at Room 2515, 25th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong (the “Special General Meeting”) for the following purposes:

ORDINARY RESOLUTIONS

1. **“THAT** with effect from the passing of this resolution, the existing share option scheme (the “Existing Share Option Scheme”) adopted by the Company pursuant to a resolution passed by the then shareholders of the Company on 18 May 2021 (a copy of which is marked “A” and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting) be and is hereby terminated and ceases to have any further effect save and except that the Existing Share Option Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”

* *For identification purpose only*

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2. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval for the listing of, and permission to deal in, such number of shares of HK\$0.0025 each (the “Shares”) in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (the “New Share Option Scheme”, the rules of which are summarised in the circular of the Company dated 25 May 2023 (the “Circular”)), such number being not less than that of the Scheme Mandate Limit (as defined in the Circular), the rules of the New Share Option Scheme (a copy of which is marked “B” and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting) be and are hereby approved and adopted and that the board of directors of the Company or a committee thereof be and are hereby authorised to:
- (a) administer the New Share Option Scheme under which options will be granted to eligible participants under the New Share Option Scheme to subscribe for Shares;
 - (b) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
 - (c) grant options under the New Share Option Scheme and issue 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 Share Option Scheme, subject to the Scheme Mandate Limit (as defined in the Circular); and
 - (d) make application at the appropriate time to the Stock Exchange, for the listing of, and permission to deal in, the Shares which may thereafter from time to time be issued pursuant to the exercise of the options under the New Share Option Scheme.”
3. “**THAT** the rules of the new share option scheme of Vbill Limited, a wholly-owned subsidiary of the Company (the “New VBill (Cayman) Share Option Scheme”, the rules of which are summarised in the Circular) be and are hereby approved and adopted and that the board of directors of VBill (Cayman) or a committee thereof be and are hereby authorised to:
- (a) administer the New VBill (Cayman) Share Option Scheme under which options will be granted to eligible participants under the New VBill (Cayman) Share Option Scheme to subscribe for shares of VBill (Cayman);
 - (b) modify and/or amend the rules of the New VBill (Cayman) Share Option Scheme from time to time subject to the provisions of such rules; and

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- (c) grant options under the New VBill (Cayman) Share Option Scheme and issue from time to time such number of shares of VBill (Cayman) as may be required to be issued pursuant to the exercise of the options under the New VBill (Cayman) Share Option Scheme, subject to the VBill (Cayman) Scheme Mandate Limit (as defined in the Circular).”

By Order of the Board of Directors
Hi Sun Technology (China) Limited
Hui Lok Yan
Company Secretary

Hong Kong, 25 May 2023

Notes:

- (1) A member of the Company entitled to attend and vote at the Special General Meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his behalf. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the Special General Meeting is enclosed.
- (3) Completion and delivery of the form of proxy will not preclude a member from physically attending and voting in person at the Special General Meeting if the member so desires.
- (4) To be valid, a form of proxy must be duly completed and signed in accordance with the instructions printed thereon and lodged, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Special General Meeting.
- (5) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the Special General Meeting will be Tuesday, 6 June 2023. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 June 2023.
- (6) All votings on the resolutions in this notice by the members at the Special General Meeting shall be conducted by poll.