
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Huisheng International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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HUISHENG INTERNATIONAL HOLDINGS LIMITED

惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (3) PROPOSED RE-APPOINTMENT OF AUDITORS;**
- (4) PROPOSED TERMINATION OF SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION;**
- AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 16/F., Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 30 June 2023 at 4:00 p.m. is set out on pages 59 to 66 of this circular. A form of proxy for use at the annual general meeting of the Company is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.hsihl.com.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before (i.e. no later than 4:00 p.m. (Hong Kong Time) on Wednesday, 28 June 2023) the time appointed for the holding of the annual general meeting or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

30 May 2023

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection: –

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or send a message at the Company's website (www.hsihl.com). If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong as follows: –

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

DEFINITIONS

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

“Acceptance Date”	in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Participant in accordance with the provisions of the New Share Option Scheme
“Adoption Date”	the date on which the New Share Option Scheme is adopted upon fulfilment of the conditions of the New Share Option Scheme
“AGM”	the annual general meeting of the Company to be convened and held on Friday, 30 June 2023 at 4:00 p.m. to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of retiring Directors, the proposed re-appointment of auditors, the proposed adoption of New Share Option Scheme and the proposed adoption of the New M&A
“Amendments”	the proposed amendments to the Existing M&A, details of which are set out in Appendix IV to this circular
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Company”	Huisheng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Consultation Conclusions”	the Consultation Conclusions on Proposed Amendments to the Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the Employee Participants, the Service Providers, and the Related Entity Participants
“Employee Participant(s)”	the directors and employees of the Company or any of its subsidiaries (including persons who are granted Share Options under the New Share Option Scheme as an inducement to enter into employment contracts with these companies)
“Existing M&A”	the existing second amended and restated memorandum and articles of association of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the number of the issued Shares as at the date of granting of the General Mandate
“General Scheme Limit”	has the meaning as defined in paragraph 3 of Appendix III to this circular
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Individual Limit”	has the meaning as defined in paragraph 4 of Appendix III to this circular

DEFINITIONS

“INED(s)”	the independent non-executive Director(s)
“Latest Practicable Date”	23 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A” or “Memorandum and Articles of Association”	the memorandum and articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“New Share Option Scheme”	the share option scheme of the Company proposed to be approved and adopted by the Shareholders at the AGM
“New M&A”	the new third amended and restated memorandum and articles of association of the Company proposed to be adopted at the AGM
“Offer Date”	in relation to any Share Option, the day (which must be a Business Day) on which the Directors resolve to make an offer of that Share Option to an Eligible Participant subject to the provisions of the New Share Option Scheme
“Option Holder(s)”	the holder(s) of any outstanding Share Option or (where the context so permits) any person who is entitled to such Share Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder
“Option Period”	in respect of any Share Option, the period commencing on the Acceptance Date of a Share Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any Share Option is granted in accordance with the New Share Option Scheme

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of issued Shares as at the date of granting of the Repurchase Mandate
“Related Entity(ies)”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	any directors and employees of any Related Entity
“Remuneration Committee”	the remuneration committee of the Company
“Service Provider(s)”	any person who, or entity which, provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group (as determined by the Remuneration Committee), more particulars are set out in the sub-paragraph headed “Eligible Participants” under the paragraph headed “Proposed Termination of Share Option Scheme and Adoption of New Share Option Scheme” in the Letter from the Board
“Service Provider Sublimit”	has the meaning as defined in paragraph 3 of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	share option(s) to subscribe for Share(s) to be granted under the New Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 11 February 2014

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share payable on the exercise of a Share Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Share Option Scheme and the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs as approved by the Securities and Futures Commission
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



HUI SHENG INTERNATIONAL HOLDINGS LIMITED 惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1340)

Executive Director:

Ms. Qin Yuanling

Independent non-executive Directors:

Mr. Wong Yuk Lun, Alan

Dr. Wang Guiping

Mr. Huang Ruilin

Head office in the PRC:

Unit 4

Hejiaping Housing Committee

Deshan Town

Economic and Technological Development Zone

Changde City, Hunan Province

PRC

Principal place of business in Hong Kong:

Room 1604, 16/F

Tower 1, Silvercord

30 Canton Road

Tsim Sha Tsui

Kowloon, Hong Kong

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

30 May 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (3) PROPOSED RE-APPOINTMENT OF AUDITORS;**
- (4) PROPOSED TERMINATION OF SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME;**
- (5) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION;**
- AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate to the Directors; (ii) the re-election of Directors; (iii) the re-appointment of auditors; (iv) the termination of Share Option Scheme and adoption of New Share Option Scheme; and (v) the proposed adoption of the New M&A.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of Directors, the proposed re-appointment of auditors, the proposed termination of Share Option Scheme and adoption of the New Share Option Scheme, the proposed adoption of the New M&A and the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate (including the extended General Mandate) and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees or Directors of the Company and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate amount of up to 20% of the number of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 880,838,000 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 176,167,600 Shares. The Directors wish to state that they have no immediate plans or intention to exercise the General Mandate or the extended General Mandate for any fund raising activities (including but not limited to consideration issue or other similar issue or transaction) and have no other fund raising activities (whether that would utilise the General Mandate/the extended General Mandate or not) as at the Latest Practicable Date.

LETTER FROM THE BOARD

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the number of the issued Shares as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 88,083,800 Shares. As at the Latest Practicable Date, the Directors have no immediate plans to repurchase any Shares pursuant to the Repurchase Mandate.

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

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

According to Article 84, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every three years.

According to Article 83(3), any Director appointed by the Board as an additional Director shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Thus, in accordance with Articles 83(3) and 84 of the Articles, Dr. Wang Guiping and Mr. Huang Ruilin will retire at the AGM and, being eligible, offer themselves for re-election.

LETTER FROM THE BOARD

Nomination procedures for Directors and Recommendations of the Nomination Committee

The Nomination Committee shall recommend to the Board on the appointment of Directors (including independent non-executive Directors) having regard (i) the proposed candidates' qualification, background and experience; (ii) independence of candidates for independent non-executive Directors, which is assessed with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board; and (iii) the diversity of the Board in all aspects, including gender, age, cultural and educational background, professional experience, skills, knowledge and work experience.

The Nomination Committee has assessed the independence of each of the independent non-executive Directors based on the independent criteria as set out in Rule 3.13 of the Listing Rules by reviewing the written confirmation of independence for 2022 submitted to the Company by each of them, and confirmed that all of them are independent. In addition, the Nomination Committee has assessed and is satisfied with the performance of the retiring Directors for the year ended 31 December 2022.

In particular, the Nomination Committee is also of the view that each Director who is proposed to be subject to re-election and appointment at the AGM would bring to the Board his/her own perspective, skills and experience, as further described in his/her biographies in Appendix II to this circular. Therefore, in response to the recommendation of the Nomination Committee, the Board recommended the re-election of Dr. Wang Guiping and Mr. Huang Ruilin as Directors at the AGM. As a good corporate governance practice, each of the retiring Directors who has offered himself/herself for re-election, has abstained from voting at the relevant Board meeting on the resolution to recommend his/her re-election by the Shareholders at the AGM.

Brief biographical details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

PROPOSED RE-APPOINTMENT OF AUDITORS

The Board proposes to re-appoint HLB Hodgson Impey Cheng Limited as the independent auditors of the Company to hold office until the conclusion of the next annual general meeting. A resolution will be proposed to authorise the Board to fix the auditor's remuneration. HLB Hodgson Impey Cheng Limited has indicated its willingness to be re-appointed as the Company's independent auditors for the said period.

LETTER FROM THE BOARD

PROPOSED TERMINATION OF SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 11 February 2014 and is valid and effective for a period of 10 years from the date of adoption. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules have been amended with effect from 1 January 2023. In light of the above, the Company proposes to terminate the Share Option Scheme and adopt the New Share Option Scheme to replace the Share Option Scheme.

As at the Latest Practicable Date, details of the share options granted under the Share Option Scheme and remain effective are as follows:

Name	Title	Exercise price HK\$	Date of Grant	Exercise Period	Outstanding as at the Latest Practicable Date
Employees (<i>Note 1 & 2</i>)		0.083	28/07/2021	28/07/2021- 27/07/2024	44,040,000
Sub-total:					<u>44,040,000</u>
Consultants (<i>Note 2</i>)					
Lau Chi Yuen	Company Secretary	0.083	28/07/2021	28/07/2021- 27/07/2024	8,808,000
Liu Jianhua	Pig Business – Breeding and Slaughtering	0.083	28/07/2021	28/07/2021- 27/07/2024	8,808,000
Lee Kwok Leung	Pig Business – Trading	0.083	28/07/2021	28/07/2021- 27/07/2024	8,808,000
Ng Kwok Hung, Perry	Pig Business – Trading	0.083	28/07/2021	28/07/2021- 27/07/2024	8,808,000
Ng Ka Lun	Pipelines Business – Trading	0.083	28/07/2021	28/07/2021- 27/07/2024	8,808,000
Sub-total:					<u>44,040,000</u>
Total					<u><u>88,080,000</u></u>

Notes:

1. Each employee holds not more than 1% of the Shares of the Company
2. The share options granted to the grantees have no vesting period and no vesting condition

LETTER FROM THE BOARD

The employees of the Company are responsible for various daily operational duties for the Group including but not limited to sales, marketing, business development and other administrative duties of the Group. The Board believes that the grant of options to employees shall provide incentives and motivates the grantees to perform their best towards the goal of the Group.

Mr. Lau Chi Yuen is the company secretary and the authorised representative of the Company. He provides company secretarial services and serves us with the updated amendments to the Listing Rules and other company secretarial affairs. Ms. Liu Jianhua is the business consultant of the PRC subsidiaries specializing in pig fattening and the sanitary environment of the hog farms and slaughterhouses and is responsible for coordinating to develop branding and marketing of the pig business in the PRC. Mr. Lee Kwok Leung and Mr. Ng Kwok Hung, Perry are responsible for liaising with new potential suppliers and customers to develop the pork products trading business and also coordinating in compilation of sales plans and sales proposals. Mr. Ng Ka Lun is responsible for the development of pipelines business and also assists to explore new business partners in the region of the South East Asia. All consultants have entered into service contracts with the Company with no fixed term of service.

The Board has no intention of granting any further options under the Share Option Scheme during the period from the Latest Practicable Date and the date of the AGM.

Termination of Share Option Scheme

According to the terms of the Share Option Scheme, the Company may by an ordinary resolution in general meeting terminate the operation of the Share Option Scheme, and in such event, no further options can be granted under the Share Option Scheme.

Upon termination of the Share Option Scheme, no further options may be granted thereunder but in all other respects, the provisions of the Share Option Scheme shall remain in full force and effect. Therefore, the termination of the Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Share Option Scheme and outstanding options granted under the Share Option Scheme shall continue to be subject to the provisions of the Share Option Scheme.

An ordinary resolution will be proposed at the AGM for the Shareholders to consider, and if thought fit, to approve the termination of the Share Option Scheme.

LETTER FROM THE BOARD

Adoption of New Share Option Scheme

An ordinary resolution will be proposed at the AGM for the Shareholders to consider, and if thought fit, to approve the adoption of the New Share Option Scheme.

The New Option Scheme complies with the latest requirements under Chapter 17 of the Listing Rules.

Conditions precedent of the New Share Option Scheme

The New Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in the AGM to approve the adoption of the New Share Option Scheme and to authorise the Board to grant Share Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Share Options granted under the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Share Options granted under the New Share Option Scheme.

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

Principal terms of the New Share Option Scheme

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

Purposes of the New Share Option Scheme

The purpose of the New Share Option Scheme is to grant Share Options to Eligible Participants as incentive or reward for their contribution to the Group.

LETTER FROM THE BOARD

The New Share Option Scheme shall be for the benefit of the employee (whether full-time or part-time) or director of any member of the Group and a limited range of Service Provider, and the Company believes that this aligns with the intention of the Group of providing incentives to the employees and directors of the Group and the Service Provider to contribute towards the enhancement of the Group's enterprise value as a whole. The terms of the New Share Option Scheme allow the Company to, where it considers appropriate, specify a minimum holding period and performance targets which must be achieved before Options can be vested or exercised by an Option Holder. Whilst there is a general rule under the New Share Option Scheme that the vesting period in respect of any Share Option granted to any Eligible Participant shall not be less than 12 months from the date of acceptance of the Offer, the rule of the New Share Option Scheme has nonetheless retained flexibility by setting out exceptional circumstances where there may be shorter vesting periods as further set out in paragraph 7 of Appendix III. In addition, the basis for the determination of the exercise price has been set out in the New Share Option Scheme and such basis is determined in accordance with the Listing Rules. The rules of the New Share Option Scheme have also set out clawback mechanisms where the Company would be able to clawback the incentives granted to such Option Holders who were involved in misconduct, malfeasance, breach of law or other actions which do not conform with the standard expected of the Option Holders of the New Share Option Scheme. The Company believes that the mechanism of the New Share Option Scheme as described above will provide it with flexibility in setting the terms and conditions of the Share Options which are the most appropriate taking into account the individual circumstances of the relevant Eligible Participants and therefore can facilitate the Company's aim to offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group, and hence aligns with the purpose of the New Share Option Scheme.

General Scheme Limit and Service Provider Sub-Limit

As at the Latest Practicable Date, the issued share capital of the Company comprised 880,838,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of AGM, the maximum number of Shares which may be issued upon exercise of all Share Options to be granted under the New Share Option Scheme and all options, awards or securities to be granted under any other share scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate not exceeding 10% of the total number of Shares in issue as at the date of AGM.

LETTER FROM THE BOARD

The Service Provider Sublimit of the New Share Option Scheme will not exceed 2% of the total number of Shares in issue on the date of AGM. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Share Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Providers in the Group's business, the current payment and/or settlement arrangement with the Service Providers, and the fact that the Company expects that a majority of Share Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the General Scheme Limit for grants to the Employee Participants. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a sublimit of 2% would not lead to an excessive dilution of existing Shareholders' holdings.

Considering that there are no other share schemes involving grant of options over new Shares, the Group's hiring practice and organizational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Share Options to the Service Providers to achieve the purpose of the New Share Option Scheme and the relatively low threshold of 2% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM. The Service Providers include those persons or entities which contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations and their contribution directly impacts the results of operations of the Group.

Eligible Participants

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

LETTER FROM THE BOARD

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group by the Eligible Participant (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Share Option to the INED under the New Share Option Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the INED and (ii) INED may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, the Board believes the inclusion of INED as Eligible Participants and the flexibility to grant Share Options to the INED in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to INED when considering any future grants of Share Options to the INED.

The Board (including the INEDs) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Service Providers and Related Entity Participants) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

LETTER FROM THE BOARD

The detailed description of each category of Service Providers and the specific criteria for determining the eligibility of each category of Service Providers under the New Share Option Scheme are as follows:

Supplier

Contributions of the Service Providers

Service Providers under this category are mainly raw material suppliers

Criteria for determining eligibility under the New Share Option Scheme

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to:

- (1) the nature, reliability and quality of the raw materials, goods or services supplied;
- (2) the value of the raw materials, goods or services provided by the relevant supplier;
- (3) the frequency of collaboration and length of business relationship with the Group;
- (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (5) the background, reputation and track record of the relevant supplier;
- (6) the replacement cost of such supplies, and/or the raw materials, goods or services (including continuity and stability of supply or provision of such raw materials, goods or services); and
- (7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the raw materials, goods or services supplied and/or provided by such supplier.

LETTER FROM THE BOARD

Contractor, agent consultant and advisor

Contributions of
the Service Providers

Service Providers under this category mainly comprise independent contractors, agents, consultants and advisers, who provide supporting services or any advisory, consultancy, professional or other services to the Group on areas relating to the Group's main businesses, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group.

The Group is mainly engaged in the production and sale of daily consumption pork and related meat food products for the domestic market as well as hog breeding and hog farming in the PRC and is also engaged in selling and distributing pipe system products and the provision of technical advisory services on the design, application, implementation, and installation. The business of the Group requires smooth operation of its supply chain and sales channels and also improve methods of hog breeding and hog farming, handling and management of biological assets from time to time (the "**Business Needs**").

As at the Latest Practicable Date, services provided by those Service Providers of this category include liaising with new potential suppliers and customers, coordinating in compilation of sales plans and sales proceeds, development of pipelines business, exploration of new business partners in the region of South East Asia and provision of regulatory compliance services. These Service Providers possess specialized skills and knowledge in the business activities of the Group or otherwise business networks in the industry or the market in which the Group is engaged in. They are able to provide insight on areas such as market development, technological trends and innovations, technical specifications for products, production management, etc. They benefit the Group in its ordinary and usual course of business and often allows it to more effectively formulate its future business strategies and secure new businesses for long-term growth.

LETTER FROM THE BOARD

Criteria for determining eligibility under the New Share Option Scheme	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such consultants, including but not limited to:</p> <ul style="list-style-type: none">(a) individual performance of the relevant contractor, agent, consultant and/or adviser;(b) their knowledge, expertise, capability, technical know-how and experiences;(c) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether it can be replaced by other parties easily);(d) the background, reputation and track record of the contractor, agent, consultant and/or adviser;(e) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, agent, consultant or advisor could bring positive impacts to the Group's business.
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LETTER FROM THE BOARD

Business and joint venture partner

Contributions of
the Service Providers

Service Providers under this category are mainly business and joint venture partners who provide services to the Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.

Service Providers of this category mainly include its joint venture partner in the business of hog slaughtering and operation of slaughterhouse of the Group, which is an important part of the main business of the Group. The said joint venture partner is important to the Group in securing the application and maintenance of the slaughtering permit, and provision of ongoing advice on the quarantine requirement and environmental compliance requirements of the local government. The Group may also have new joint venture partner or business partner in the future if the cooperation with them will enhance the operation efficiency and/or cost management of the business of the Group or otherwise maintain or enhance of competitiveness of the Group.

Criteria for determining
eligibility under the New Share
Option Scheme

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such supplier, including but not limited to:

- (1) their knowledge, experience and network in the relevant industry;
- (2) the frequency of collaboration and length of business relationship with the Group;

LETTER FROM THE BOARD

- (3) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (4) the background, reputation and track record of the relevant business and/or joint venture partner;
- (5) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such business and/or joint venture partner could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such business and/or joint venture partner; and
- (6) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business and/or joint venture partner, and/or the synergy between the relevant business and/or joint venture partner and the Group.

The purpose of the New Share Option Scheme is to grant Share Options to Eligible Participants as incentives or rewards for their contribution to the Group. The above Services Providers have their own business and possess specific competitive strength in their respective area of expertise, skills and business networks which were developed independent of the Group. Such expertise, skills and business networks cannot be easily developed or performed by the Group internally or even the same could be developed by the Group, it may be less cost effective or less efficient as compared with reliance on the Services Providers. With the involvement and participation of the Service Providers in the business of the Group, the Group will be able to leverage on their strengths and be more prepared to cope with various challenges in the ever-changing market and facilitate its business expansion.

LETTER FROM THE BOARD

In addition to the contribution of Service Providers, the Group has a close working relationship with the Related Entity Participants. The Group maintains close collaborative relationships with the Related Entity Participants. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

The inclusion of Service Providers and Related Entity Participants as eligible grantees under the New Share Option Scheme is therefore consistent with the purpose of the scheme. This enables the Group to have the flexibility to utilize Share Options as a means of incentivising or rewarding persons outside of the Group to contribute to its long-term success by aligning the interests with these stakeholders and strengthening their ongoing relationship with the Group. For the avoidance of doubt, Service Providers will exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by different categories of non-employee Eligible Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Share Options to be granted to these Eligible Participants, which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant non-employee Eligible Participants' contribution or potential contribution.

Based on the above, the Board (including the INEDs) considers that (i) the inclusion of the Related Entity Participants and the Service Providers as non-employee Eligible Participants are in line with the Business Needs and the strategy of providing equity-based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for selection of Related Entity Participants and Service Providers as set out above and in paragraph 2 of Appendix III to this circular and the discretion afforded to the Board to impose different terms and conditions (including performance targets and vesting conditions) on Share Options granted to such selected non-employee Eligible Participants, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

LETTER FROM THE BOARD

Vesting period

The vesting period for Share Options under the New Share Option Scheme shall, in principle, not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Option Holder, such as those set out in paragraph 7.2 of Appendix III to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in paragraph 7.2 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance targets and clawback mechanism

The rules of the New Share Option Scheme will not prescribe specific performance targets that must be met before a Share Option can be exercised or clawback mechanism to recover or withhold Share Options to be granted. However, the rules of the New Share Option Scheme will give the Board discretion to impose such conditions on the Share Options or prescribe such clawback mechanism where appropriate. The Directors consider that it may not always be appropriate to impose such conditions or prescribe such clawback mechanism particularly when the purpose of granting the Share Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant.

If the Board considers performance targets are required, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate, sales performance, operating performance, financial performance of the Group, corporate sustainability parameters and discipline and responsibility, the satisfaction of which shall be assessed and determined by the Board at its sole discretion. The rules of the Share Option Scheme have also set out clawback mechanisms where the Company would be able to clawback the incentives granted to such Option Holders who were involved in misconduct, malfeasance, breach of law or other actions which do not conform with the standard expected of the Option Holders of the New Share Option Scheme.

LETTER FROM THE BOARD

Basis of Determination of the Subscription Price

Eligible Participants to whom Share Options shall be granted, are entitled to subscribe for the number of Shares at the Subscription Price as determined by the Board in its discretion on the Offer Date but in any event the Subscription Price shall be at least the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date; (ii) the average of the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the Offer Date; and (iii) the nominal value of the Shares on the Offer Date. The basis for determining the Subscription Price is also specified in the New Share Option Scheme. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

Value of the Share Options

The Directors consider that it is not appropriate and impractical to state the value of all the Share Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the Subscription Price and other terms and conditions to which a Share Option may be subject) crucial for valuation cannot be predicted or ascertained at this stage and may vary from case to case. The Directors believe that any calculation of the value of the Share Options as at the Latest Practicable Date based on assumptions would be speculative, not meaningful to, and may be misleading to the Shareholders

No material interest

As at the Latest Practicable Date, the Company did not have any plan to grant Share Options to any of a director, chief executive or substantial shareholder of the Company, or any of their respective associates pursuant to the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in the trustees of the New Share Option Scheme, if any. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes other than the Share Option Scheme. To the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

LETTER FROM THE BOARD

The Board has sought advice from its Hong Kong legal advisers and understands the adoption of the New Share Option Scheme does not constitute an offer of shares or debentures under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (“**Companies (WUMP) Ordinance**”) and therefore the prospectus requirements under Companies (WUMP) Ordinance are not applicable to the adoption of the New Share Option Scheme. The Company will continue to observe the requirements under Companies (WUMP) Ordinance and ensure any grant of Options under the New Share Option Scheme does not constitute an offer of shares or debentures under Companies (WUMP) Ordinance or will qualify under the exemption thereof.

PROPOSED ADOPTION OF THE NEW M&A

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers. Furthermore, the Company proposes to modernise and provide flexibility to the Company in relation to the conduct of general meetings. As such, the Board proposes the Amendments for the purposes of, among others, (i) allowing a general meeting to be held by way of communication facilities; (ii) bringing the Existing M&A in line with amendments made to the Listing Rules and applicable laws of the Cayman Islands; and (iii) making certain minor housekeeping amendments to the Articles, subject to the passing of the special resolution by the Shareholders, with effect from the conclusion of the AGM. Details of the proposed Amendments are set out in Appendix IV of this circular.

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

AGM

A notice convening the AGM to be held at 16/F., Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 30 June 2023 at 4:00 p.m. is set out on pages 59 to 66 of this circular. All the resolutions as set out in the AGM Notice will be proposed at the AGM.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.hsihl.com. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before (i.e. no later than 4:00 p.m. (Hong Kong Time) on Wednesday, 28 June 2023) the time appointed for the holding of the AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors (including all the independent non-executive Directors) consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate, the proposed re-election of retiring Directors, the proposed re-appointment of auditors, the proposed termination of Share Option Scheme and adoption of the New Share Option Scheme and the proposed adoption of the New M&A are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
Huisheng International Holdings Limited
Qin Yuanling
Executive Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CORE CONNECTED PARTIES

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 880,838,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 88,083,800 fully paid Shares, representing approximately 10% of the number of the issued Shares as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

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

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 December 2022, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
May	0.072	0.056
June	0.079	0.058
July	0.077	0.065
August	0.075	0.061
September	0.067	0.050
October	0.066	0.046
November	0.060	0.048
December	0.060	0.050
2023		
January	0.068	0.048
February	0.076	0.050
March	0.060	0.046
April	0.052	0.041
May (up to the Latest Practicable Date)	0.048	0.041

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

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

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

As at the Latest Practicable Date, there are no Shareholders interested in more than 10% of the Shares then in issue.

To the best of the Directors' knowledge, information and belief, on the basis of there are no Shareholders who are interested in more than 10% of Shares, an exercise of the Repurchase Mandate in full will not result in any Shareholders becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

7. SHARES REPURCHASE MADE BY THE COMPANY

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

Details of the Directors who will retire from office and appoint at the AGM, are set out below:

(1) DR. WANG GUIPING (“DR. WANG”)

Dr. Wang Guiping, aged 50, was appointed as an independent non-executive Director on 29 October 2020. He is currently a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Investment and Treasury Committee. Dr. Wang is an expert in animal microbiology and immunology. He is currently a deputy professor and tutor of master of Hunan Agricultural University* (湖南農業大學). Dr. Wang has been involved in various research projects and has published numbers of articles. Dr. Wang obtained his doctorate degree in clinical veterinary science from Hunan Agricultural University* (湖南農業大學) in 2014.

Dr. Wang has entered into a letter of appointment with the Company for an initial term of 3 years commencing from 29 October 2020 as an independent non-executive Director which is renewable automatically for successive terms of one year after the expiry of the term of appointment, unless terminated by not less than one-month notice in writing served by either party, and is subject to retirement by rotation and re-election in accordance with the Articles. Pursuant to the letter of appointment, he is entitled to a director’s remuneration of RMB50,000 per annum, which is determined by reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the market salary range for the position, and shall be reviewed by the Remuneration Committee from time to time.

Dr. Wang has confirmed that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, (i) Dr. Wang does not hold any other position in the Company or its subsidiaries; (ii) he does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) he does not, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO; and (iv) he does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there are no other information related to Dr. Wang that are required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders.

* For identification purpose only.

(2) MR. HUANG RUILIN (“MR. HUANG”)

Mr. Huang, aged 60, was appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee on 18 August 2022. He is currently a postgraduate tutor and researcher. In 1985, he graduated from the Department of School of Animal Science and Technology, School of Animal Medicine of the Huazhong Agricultural University* (華中農業大學) with a bachelor’s degree in agronomy. After graduation, he engaged in research on animal nutrition and physiology at the Institute of Subtropical Agriculture, the Chinese Academy of Sciences* (中國科學院亞熱帶農業生態研究所). He is the deputy director of the Animal Nutrition and Environment Society* (湖南省動物營養與環境學會) in Hunan Province of China. Since 2005, he has been an expert in the evaluation of national science and technology awards.

Mr. Huang has participated in and presided over a number of national key Research & Development (“R&D”) projects, national key scientific and technological projects, international cooperation, the National Natural Science Foundation of China, and key projects of the Chinese Academy of Sciences.

He is currently undertaking China’s 14th national key R&D project Dynamic Nutrition Demand and Precision Nutrition Supply Technology of Pigs and Poultry, and serves as the chief scientist of the project in China. He has won the National Science and Technology Progress Award, the Ministry of Agriculture Science and Technology Progress Award, the Agricultural Science and Technology Award (Harvest Award), the Chinese Academy of Sciences Science and Technology Progress Award and many other awards.

Mr. Huang has entered into a letter of appointment with the Company for an initial term of 3 years commencing from 18 August 2022 as an independent non-executive Director, which may be continued subject to terms and conditions to be agreed by the parties. During the tenure, the appointment may be terminated by either party serving the other not less than one-month notice in writing, and is subject to retirement by rotation and re-election in accordance with the Articles. Pursuant to the letter of appointment, he is entitled to a director’s remuneration of RMB50,000 per annum, which is determined by reference to his duties and responsibilities within the Company, the Company’s remuneration policy and the market salary range for the position, and shall be reviewed by the Remuneration Committee from time to time.

Mr. Huang has confirmed that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

* For identification purpose only.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Huang does not hold any other position in the Company or its subsidiaries; (ii) he does not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) he does not, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO; and (iv) he does not have any relationship with any directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there are no other information related to Mr. Huang that are required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the Shareholders.

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

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to grant Share Options to Eligible Participants as incentives or rewards for their contribution to the Group.

2. ELIGIBLE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board will mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

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

For each category of Service Providers, assessing factors include: the individual performance of relevant Service Providers, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record and the potential and/or actual contribution to the business affairs of the Group.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

For Related Entity Participants, assessing factors include: the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the Related Entity Participant has established with the Group, the extent of positive impact provided by or expected from business development activities in terms of the actual or expected change in the Group's revenue or profits attributable to the Related Entity Participant, whether the Related Entity Participant has assisted the Group to tap into new markets or increase its existing market share, whether the Related Entity Participant has provided measurable assistance to improve any aspect of the Group's operations, the amount of actual or potential support, assistance, guidance, advice, effort or contribution the Related Entity Participant give or is likely to be able to give or make towards the success of the Group.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The total number of Shares which may be issued upon the exercise of all Share Options to be granted under the New Share Option Scheme and all options, awards or securities to be granted under any other share scheme(s) of the Company (the “**Other Schemes**”) shall not in aggregate (i) exceed 10% of the total number of Shares in issue on the date of AGM (the “**General Scheme Limit**”) unless the Company obtains an approval from the Shareholders pursuant to paragraph 3.3 below. Options, awards or securities lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes shall not be counted for the purposes of calculating whether the General Scheme Limit and the Service Provider Sublimit (as defined below) have been exceeded.
- 3.2 Subject to paragraph 3.1 above, within the General Scheme Limit, the total number of Shares which may be issued in respect of all options, awards or securities to be granted to the Service Providers under the New Share Option Scheme and Other Schemes shall not exceed 2% of the total number of Shares in issue on the date of AGM (the “**Service Provider Sublimit**”).
- 3.3 Subject to paragraph 3.4 below, the Company may seek approval of the Shareholders in the general meeting for refreshing the General Scheme Limit and the Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New Share Option Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the New Share Option Scheme or the last refreshment.

- 3.4 Any refreshment within three (3)-year period from the date of approval by the Shareholders of the adoption of the New Share Option Scheme or the last refreshment must be approved by Shareholders provided that:
- (i) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding INEDs) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).
- 3.5 The requirements under paragraphs 3.4(i) and (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 General Scheme Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the General Scheme Limit immediately before the issue of securities (rounded to the nearest whole Share).
- 3.6 The Company may seek separate approval by the Shareholders in its general meeting for granting Share Options beyond the General Scheme Limit provided the Share Options in excess of the General Scheme Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Share Options, the number and terms of the Share Options to be granted to each Eligible Participants with an explanation as to how the terms of the Share Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Share Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Share Options to be granted, the date of Board meeting for proposing such grant should be taken as the Offer Date for the purpose of calculating the Subscription Price.

4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph 21 below, the total number of Shares issued and to be issued upon exercise of the Options granted under the New Share Option Scheme and the options, awards or securities granted under Other Schemes to each Eligible Participant (including exercised and outstanding options, awards or securities but excluding any options, awards or securities lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Offer Date shall not exceed 1% of the number of the total issued Shares at the Offer Date (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options, awards or securities granted and to be granted to such person (including exercised, cancelled and outstanding options, awards or securities) in the twelve (12)-month period up to and including the relevant Offer Date to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its close associates (or associates of the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders in accordance with the Listing Rules.

5. ACCEPTANCE OF SHARE OPTION

Offers to grant a Share Option shall be open for acceptance in writing. Such acceptance must be received by the Company within such time as may be specified in the Offer (which shall not be later than twenty-one (21) days from the Offer Date). An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant with the number of Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof. Such consideration shall not be refundable.

6. PERIOD WITHIN WHICH THE SHARE OPTION MAY BE EXERCISED

Save as provided in paragraphs 7, 10 to 12 below, Share Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Company must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder to exercise the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is intended to be exercised; and (ii) payment in full of the Subscription Price.

7. VESTING PERIOD OF SHARE OPTION

7.1 Save for the circumstances prescribed in paragraph 7.2 below, the vesting period of a Share Option shall not be shorter than twelve (12) months from the date of acceptance of the Offer before the Share Option can be exercised.

7.2 A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or the remuneration committee in any of the following circumstances:

- (i) grants of “make-whole” Share Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Option would have been granted;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of twelve (12) months; and
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which are considered appropriate to provide flexibility to grant Share Options (a) as part of competitive terms and conditions to induce valuable talent to join the Group (subparagraphs (i) and (iv)); (b) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (ii) and (iii)); (c) reward exceptional performers with accelerated vesting (sub-paragraph (iv)); (d) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (v)); and (e) in exceptional circumstances where justified (sub-paragraph (i) to (v)), which is consistent with the purpose of the New Share Option Scheme.

8. SUBSCRIPTION PRICE

The Subscription Price shall be determined on the Offer Date at the discretion of the Directors and it shall not be less than the highest of (i) the closing price of the Shares as stated on the Stock Exchange's daily quotations sheet on the Offer Date, which must be a trading day; (ii) the average closing prices of the Shares as stated on the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Shares on the Offer Date, provided that the Subscription Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

9. RESTRICTION ON THE TIME OF GRANT OF SHARE OPTIONS

No offer of a Share Option shall be made and no Share Option shall be granted to any Eligible Participant after inside information has come to the knowledge of the Company until such inside information has been publicly announced in accordance with the Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the Listing Rules or any applicable law. In particular, no Share Option shall be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (such date as first notified to the Stock Exchange in accordance with 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 deadline for the Company to announce its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

10. RIGHTS ON WINDING UP

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, each Option Holder shall be entitled, at any time not later than two (2) business days prior to the proposed resolution is to be considered and/or passed, to exercise his outstanding Share Options in whole or in part. Subject to thereto, all Share Options then outstanding shall lapse and determine on the commencement of the winding-up.

11. RIGHTS ON A GENERAL OR PARTIAL OFFER OR SCHEME OF ARRANGEMENT

If, in consequence of any general or partial offer or a scheme of arrangement is made to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), each Option Holder shall be entitled to exercise, at any time up to the close of such offer or the record date for entitlements under the scheme of arrangement.

12. RIGHTS ON CEASING EMPLOYMENT, DEATH/DISABILITY OR DISMISSAL

- (i) In the event the Option Holder ceases to be an Employee Participant or Related Entity Participant by reason of death, ill-health, resignation or retirement before exercising the Share Options in full and none of the events which would be a ground for termination of the Option Holder's employment, directorship, office, appointment or engagement, the Option Holder or his or her legal personal representative(s) shall be entitled, within a period of twelve (12) months from the date of cessation of employment, to exercise the Share Options;

- (ii) In the event that the Option Holder ceases to be an Employee Participant or Related Entity Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on the grounds that he or she has been guilty of persistent or serious misconduct, or has been in breach of material term of the relevant employment contract or service contract, or has become bankrupt or insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, then all his outstanding Share Options shall lapse and determine on the date of cessation or termination,

provided always that in each case the Directors in their absolute discretion may decide that such Share Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may decide.

13. DURATION 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 Adoption Date (the "**Scheme Period**").

14. LAPSE OF SHARE OPTION

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

- 14.1 the expiry of the Option Period;
- 14.2 the expiry of any of the periods referred to in paragraphs 10, 11 and 12 above;
- 14.3 for an Employee Participant or Related Entity Participant, the date on which the Option Holder ceases to be an Employee Participant or Related Entity Participant by reason of termination of his employment on the grounds of persistent or serious misconduct, or any act of bankruptcy or insolvency or any arrangement or composition with his creditors generally, or conviction of any criminal offence involving his integrity or honesty;
- 14.4 for any Option Holder other than an Employee Participant or Related Entity Participant, the date on which the Directors shall at their absolute discretion determine on the grounds of breach of any contract with the Group or Related Entity, any act of bankruptcy or insolvency or any arrangement or composition with his creditors generally, or the Option Holder no longer makes any contribution to the growth and development of the Group by reason of the cessation of his relationship with the Group or any other reason whatsoever;
- 14.5 the date on which the Option Holder commits a breach of paragraph 18 below, and the Directors exercise the Company's right to cancel any outstanding Share Option or part thereof granted; or
- 14.6 the date on which the Share Option is cancelled by the Directors as provided in paragraph 16 below.

15. ADJUSTMENT

In the event of any alteration in the capital structure of the Company which arises or may arise immediately following the commencement of the Scheme Period from any reduction, subdivision or consolidation of the Shares or any capitalisation issue or rights issue which the Board considers an adjustment necessary under this paragraph 15, the Subscription Price and/or the number of Shares or any Option(s) relates pursuant to the New Share Option Scheme may be adjusted in such manner as the Directors (having received a statement in writing from the independent auditors or independent financial adviser of the Company, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the Listing Rules) may deem appropriate, provided that any such adjustment shall give the Option Holder the same proportion of the issued Shares for which the Option Holder would have been entitled and shall be in compliance with the Listing Rules.

16. CANCELLATION OF SHARE OPTIONS GRANTED

Share Options granted and accepted but not exercised may not be cancelled without the consent of the relevant Option Holder thereof and the approval of the Directors. Any new Share Options (or any other options) issued in replacement of Share Options cancelled may only be issued under the New Share Option Scheme (or the Other Schemes) with available General Scheme Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph 3 above. The Share Options cancelled will be regarded as utilised for the purpose of calculating the General Scheme Limit and Service Provider Sublimit.

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by shareholders' resolution in the general meeting and by Directors' resolution of the Board may at any time terminate the operation of the New Share Option Scheme before the expiry of the Scheme Period and in such event, no further offer to grant a Share Option shall be made but in all other respects the provisions of the New Share Option Scheme shall remain in force. All Share Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Share Option Scheme.

18. TRANSFERABILITY OF SHARE OPTIONS

A Share Option shall be personal to the Option Holder and shall not be transferable or assignable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of any third party over or in relation to any Share Option, unless a waiver is granted by the Stock Exchange, provided that where (i) the Directors give their express consent in writing (which consent may or may not be given by the Directors at their absolute discretion), and (ii) the Stock Exchange gives any express waiver, the Share Option held by a Option Holder may be allowed to be transferred to a vehicle for the benefit of the Option Holder and any family members of such Option Holder (for the purposes of estate planning or tax planning or such other reasons as the Directors and the Stock Exchange consider to be justifiable) that would continue to meet the purpose of this New Share Option Scheme and comply with the requirements of Chapter 17 of the Listing Rules. Where such waiver is granted, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle. Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or part thereof granted to such Option Holder.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

- 19.1 The Directors may from time to time alter such provisions of the New Share Option Scheme as they deem appropriate, so far it is not inconsistent with the New Share Option Scheme and the Listing Rules provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Share Option Scheme altering to the advantage of Option Holders (present or future) any of the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” of the New Share Option Scheme, the terms and conditions of the New Share Option Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules.
- 19.2 No alteration to the New Share Option Scheme shall be made which would have the effect of adversely affect any of the terms of issue of any Option granted prior to such alteration except with such consent of the majority of the Option Holders as if the Share Options constituted a separate class of share capital and as if such provisions applied *mutatis mutandis* thereto.
- 19.3 Alteration to the terms of the Share Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or Shareholders (as the case may be) if the initial grant of the Share Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

- 19.4 Save as otherwise provided in the terms of the New Share Option Scheme, an amendment of a material nature to the New Share Option Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.
- 19.5 The amended terms of the New Share Option Scheme or the Share Options must still comply with the relevant requirements of the Listing Rules.
- 19.6 Any change to the authority of the Directors or scheme administrators to alter the terms of the New Share Option Scheme must be approved by the Shareholders in the general meeting.

20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

Unless otherwise determined by the Directors, an Option Holder is not required to achieve any performance targets before a Share Option is capable of being exercised by the Option Holder nor subject to any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Share Options granted to any Option Holder) from any Eligible Participants. In the event of fraud, serious misconduct, material misstatement in the Company's financial information or any prescribed performance targets having assessed or calculated in a materially inaccurate manner, the Directors may claw back such number of Options as the Directors may consider appropriate.

21. GRANT OF SHARE OPTIONS TO CONNECTED PERSONS

- 21.1 In addition to paragraph 4 above, any grant of Share Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the INEDs (excluding any INED who is a proposed grantee of the relevant Share Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.
- 21.2 Where Share Options are proposed to be granted to an INED or a substantial Shareholder, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of the Share Options granted under the Share Option Scheme and all options, awards or securities granted under Other Schemes (excluding any options, awards or securities lapsed in accordance with the terms of such schemes) granted to such person in the twelve (12)-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of the Shareholders taken on a poll in a general meeting.

21.3 In the circumstances described in paragraph 21.2 above, the Company must send a circular to the Shareholders setting out the details as required under Rule 17.04(5) of the Listing Rules. The relevant Option Holder, his or her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements set out in Rules 13.40, 13.41 and 13.42 of the Listing Rules.

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect upon satisfaction of the following conditions:–

- 22.1 the passing of the necessary resolutions by the Shareholders in a general meeting to approve and adopt the New Share Option Scheme and to authorise the Directors to grant Share Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Share Options granted under the New Share Option Scheme; and
- 22.2 the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares representing the General Scheme Limit and the Service Provider Sublimit to be issued and allotted by the Company pursuant to the exercise of Share Options in accordance with the terms and conditions of the New Share Option Scheme.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of a Share Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of a Share Option will not carry voting rights until completion of the registration of the Option Holder as the holder of those Shares on the register of members of the Company.

THAT the Articles be and are hereby amended as follows (for reference purposes, marked up against the Articles, where applicable):

Existing Articles	Proposed amendments to the Articles
By deleting the words “Companies Law (Revised)” wherever they may appear and replacing them with the words “Companies Act (Revised)”.	
<p>Article 2(1)</p> <p>N/A</p>	<p>Article 2(1)</p> <p><u>“Communication Facilities” shall mean technology by which natural persons are capable of hearing and being heard by each other, and if the Directors so determine in respect of any general meeting of the members, the functional equivalent for those with no or impaired hearing.</u></p>

Existing Articles	Proposed amendments to the Articles
	<p><u>“Present”</u> means, in respect of any person, such person’s presence at a general meeting of members, which may be satisfied by means of such person or, in the case of a member being a corporation, its duly authorized representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being: (a) physically present at the venue specified in the notice convening the meeting; or (b) in the case of any meeting at which Communications Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by Communication Facilities in accordance with procedures specified in the notice convening such general meeting; and “Presence” shall be construed accordingly.</p> <p><u>“Virtual Meeting”</u> means any general meeting of the members at which the members (and any other permitted participants of such meeting, including without limitation the Chairman and any Directors) are permitted to be Present solely by means of Communications Facilities.</p>

Existing Articles	Proposed amendments to the Articles
<p>Article 10(a)</p> <p>the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and</p>	<p>Article 10(a)</p> <p>the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders; two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and</p>
<p>Article 56</p> <p>An annual general meeting of the Company shall be held in each year other than the year of the Company’s adoption of these Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board.</p>	<p>Article 56</p> <p>An annual general meeting of the Company shall be held in each <u>financial</u> year other than the year of the Company’s adoption of these Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. <u>Such meeting must be held within six months after the end of the Company’s financial year.</u></p>

Existing Articles	Proposed amendments to the Articles
<p>Article 58</p> <p>The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.</p>	<p>Article 58</p> <p>The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition <u>and the resolutions to be added to the meeting agenda;</u> and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.</p>
<p>Article 59(2)</p> <p>The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>	<p>Article 59(2)</p> <p>The notice shall specify the time and place of the meeting <u>(except in the case of a Virtual Meeting)</u> and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>

Existing Articles	Proposed amendments to the Articles
	<p><u>If the Directors so determine in respect of a specific general meeting or all general meetings of the Company, Presence at the relevant general meeting may be by means of Communication Facilities. In addition, the Directors may determine that any general meeting may be held as a Virtual Meeting and this shall be specified in the notice of meeting. The notice of any general meeting at which Communication Facilities may be utilized (including any Virtual Meeting) must set forth the Communications Facilities that will be used, including the procedures to be followed by any member or other participant of the general meeting utilizing such Communication Facilities.</u></p>
<p>Article 61(2)</p> <p>No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative shall form a quorum for all purposes.</p>	<p>Article 61(2)</p> <p>No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is p<u>P</u>resent at the commencement of the business. Two (2) Members entitled to vote and p<u>P</u>resent in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative shall form a quorum for all purposes.</p>

Existing Articles	Proposed amendments to the Articles
<p>Article 63</p> <p>The chairman of the Company shall preside as chairman at every general meeting. If at any meeting the chairman, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman.</p>	<p>Article 63</p> <p>The chairman of the Company shall preside as chairman at every general meeting. If at any meeting the chairman, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors pPresent shall choose one of their number to act, or if one Director only is pPresent he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman. <u>The Chairman of any general meeting shall be entitled to participate at any such general meeting by Communication Facilities, in which event the following provisions shall apply:</u></p> <p>(a) <u>he shall be deemed to be Present at the general meeting; and</u></p> <p>(b) <u>if the Communication Facilities fail to enable the Chairman of the general meeting to hear and be heard by other persons participating in that meeting constituting at least a quorum as provided for in these Articles, in the reasonable opinion of that Chairman, then any Director or person nominated by the Directors shall preside as Chairman, failing which the members Present shall chose any person Present to be Chairman of that meeting;</u></p>

Existing Articles	Proposed amendments to the Articles
	<p><u>If at any general meeting no Director is willing to act as Chairman or if no Director is Present within fifteen minutes after the time appointed for holding the meeting, the members Present shall choose one of their number to be Chairman of the meeting.</u></p>
<p>Article 64</p> <p>The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days’ notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.</p>	<p>Article 64</p> <p>The chairman may, with the consent of any meeting at which a quorum is pPresent (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. <u>In the case of a Virtual Meeting when a failure or impairment in the Communication Facilities has occurred, the Chairman is entitled at any point, but is not obliged, to adjourn the Virtual Meeting without having such adjournment approved by any procedural motion or other consent of those Present at the Virtual Meeting, and to reconvene it on such terms as he considers appropriate in his discretion.</u> When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days’ notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.</p>

Existing Articles	Proposed amendments to the Articles
	<p><u>In the event there is a technical failure or impairment in the Communication Facilities, this shall not, in the absence of bad faith of the Company, invalidate the proceedings at the relevant Virtual Meeting, provided that, in the reasonable opinion of the Chairman of the general meeting, at least persons constituting a quorum as provided for in these Articles was capable of hearing and being heard by each other. In the event that the Chairman of the general meeting becomes aware of such failure or impairment at the commencement of the Virtual Meeting or during the Virtual Meeting, he may, but is not obliged, to pause (but without adjourning) the proceeding, for such period as he considers reasonable, to allow for the Company and/or its agents to endeavor to rectify such failure or impairment. At the expiry of such period, the Chairman may (but subject to the proviso regarding quorum in this Article) continue with the Virtual Meeting, even if such failure or impairment has not been rectified.</u></p>
N/A	<p>Article 65A</p> <p><u>All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.”</u></p>

Existing Articles	Proposed amendments to the Articles
<p>Article 66</p> <p>(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/ or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.</p>	<p>Article 66</p> <p>(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member p<u>P</u>resent in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member p<u>P</u>resent in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/ or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.</p>

Existing Articles	Proposed amendments to the Articles
<p>(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:</p> <p>(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or</p> <p>(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or</p> <p>(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.</p> <p>A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.</p>	<p>(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:</p> <p>(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy <u>present</u> for the time being entitled to vote at the meeting; or</p> <p>(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy <u>present</u> and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or</p> <p>(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy <u>present</u> and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.</p> <p>A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”</p>

Existing Articles	Proposed amendments to the Articles
<p>Article 71</p> <p>Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.</p>	<p>Article 71</p> <p>Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be pPresent at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.”</p>
<p>Article 81(2)</p> <p>If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.</p>	<p>Article 81(2)</p> <p>If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company <u>(including general meeting and creditors meeting of the Company)</u> or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.</p>

Existing Articles	Proposed amendments to the Articles
<p>Article 83(3)</p> <p>The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.</p>	<p>Article 83(3)</p> <p>The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first <u>annual</u> general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the <u>first next following</u> annual general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election.</p>
<p>Article 83(6)</p> <p>A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed.</p>	<p>Article 83(6)</p> <p>A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution <u>of</u> the Members at the meeting at which such Director is removed.</p>
<p>Article 152</p> <p>(1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.</p>	<p>Article 152</p> <p>(1) <u>The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting.</u> At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.</p>

Existing Articles	Proposed amendments to the Articles
<p>(2) The Members may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</p>	<p>(2) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary<u>special</u> resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.</p>
<p>Article 155</p> <p>If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.</p>	<p>Article 155</p> <p>If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. <u>The Board may fill any casual vacancy in the office of Auditor subject to the approval of an ordinary resolution of the members at a general meeting, but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. Any auditors so appointed shall hold office until the next annual general meeting after his appointment unless previously removed pursuant to these Articles.</u></p>
<p>N/A</p>	<p>Article 167</p> <p><u>FINANCIAL YEAR</u></p> <p><u>The financial year of the Company shall end on the 31st day of December in each year unless the Directors prescribe some other period therefor.</u></p>

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HUISHENG INTERNATIONAL HOLDINGS LIMITED 惠生國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1340)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Huisheng International Holdings Limited (the “**Company**”) will be held at 16/F., Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 30 June 2023 at 4:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2022;
2. (a) to re-elect Dr. Wang Guiping as an independent non-executive Director; and
(b) to re-elect Mr. Huang Ruilin as an independent non-executive Director.
3. to re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

and, as special business, consider and, if thought fit, pass the following resolutions as ordinary resolutions:

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4. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the **“Listing Rules”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the **“Shares”**) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares on the date of the passing of resolution no. 6),
- and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.

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

5. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period as defined in Resolution 4(d) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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- (b) the aggregate number of shares of the Company in issue which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate number of the shares of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution, “Relevant Period” shall have the same meaning as in Resolution 4(d).”
- 6. “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
- 7. “**THAT:**
 - (a) (i) the share option scheme adopted by the Company on 11 February 2014 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the conclusion of the AGM;
 - (ii) subject to and conditional upon the passing of the resolution in paragraph (a) hereinabove and the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares in the capital of the Company (“**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the AGM and signed by the chairman of the AGM for the purpose of identification) (“**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation:
 - (aa) to 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;

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

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- (c) the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options, awards or securities to be granted to service providers under all the share schemes of the Company (i.e. 2% of the Shares in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

SPECIAL RESOLUTION

8. To consider and, if thought fit, the following resolution as special resolution of the Company:

“**THAT** the second amended and restated Memorandum and Articles of Association be amended in the manner as set out in Appendix IV to the circular of the Company dated 30 May 2023 (the “**Circular**”); the third amended and restated Memorandum and Articles of Association in the form produced to the meeting, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the annual general meeting for the purpose of identification, which consolidates all the proposed amendments to the second amended and restated Memorandum and Articles of Association of the Company mentioned in the Circular, be approved and adopted in substitution for and to the exclusion of the second amended and restated Memorandum and Articles of Association with immediate effect after the close of the meeting; and that any one of the Directors be and is hereby authorised to do all things necessary to implement the adoption of the third amended and restated Memorandum and Articles of Association and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
Huisheng International Holdings Limited
Qin Yuanling
Executive Director

Hong Kong, 30 May 2023

NOTICE OF AGM

Registered office:

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

Head office in the PRC:

Unit 4
Hejiaping Housing Committee
Deshan Town
Economic and Technological Development Zone
Changde City, Hunan Province
PRC

Principal place of business in Hong Kong:

Room 1604, 16/F,
Tower 1, Silvercord
30 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. The register of members will be closed from Tuesday, 27 June 2023 to Friday, 30 June 2023 both days inclusive, during which no transfer of shares will be registered. In order to be entitled to attend and vote at the annual general meeting of the Company to be held on Friday, 30 June 2023, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. (Hong Kong Time) on Monday, 26 June 2023.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before (i.e. no later than 4:00 p.m. (Hong Kong Time) on Wednesday, 28 June 2023) the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
4. In the case of joint holders of shares, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

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5. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors wish to state that they have no immediate plans to buy back any existing shares or to issue any new shares (other than pursuant to the exercise of share options granted or to be granted by the Company, if any) pursuant to the relevant mandates.
6. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
7. All resolutions will be conducted by way of a poll.
8. If tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons or a “black” rainstorm warning signal is in force at 12:00 noon on 30 June 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.