
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Vitasoy International Holdings Limited 維他奶國際集團有限公司 (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO SHARE AWARD SCHEME,
AMENDMENTS TO SHARE OPTION SCHEME,
AMENDMENTS TO THE ARTICLES AND
ADOPTION OF THE AMENDED AND RESTATED ARTICLES,
AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Salons 5-6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28th August, 2023 at 11:00 a.m., at which the above proposals will be considered, is being dispatched to Shareholders together with this circular. Whether or not you are able to attend the Annual General Meeting, you are required to complete and return the form of proxy enclosed with the Annual Report that is being dispatched to the Shareholders, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

21st July, 2023

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Salons 5-6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28th August, 2023 at 11:00 a.m.
“Amended and Restated Articles”	the amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments
“Articles”	the existing articles of association of the Company
“Associates”	has the meaning ascribed to such term from time to time in the Listing Rules
“Award Holder”	the grantee for the time being of a Share Award who has accepted such Share Award
“Award Share”	in respect of any Share Award, the Shares comprised in such Share Award
“Award Scheme Limit”	has the meaning given to it under the section headed “AMENDMENTS TO THE SHARE AWARD SCHEME – Background” of this circular
“Board”	the board of Directors
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Buy-back Mandate”	a general mandate to be given to the Directors to buy-back Shares not exceeding 10% of the aggregate number of Shares in issue of the Company as at the date of passing of the relevant resolution to approve such mandate
“chief executive”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Claw-back”	a recovery of value by the Company from (i) an Award Holder or his personal representative(s) in accordance with the terms of the Share Award Scheme or (ii) a grantee or his personal representative(s) in accordance with the terms of the Share Option Scheme
“Close associates”	has the meaning ascribed to such term from time to time in the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Vitasoy International Holdings Limited (維他奶國際集團有限公司), a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange
“Connected person”	has the meaning ascribed to it under the Listing Rules
“Consultation Conclusions”	the consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022
“Core connected person”	has the meaning ascribed to such term from time to time in the Listing Rules and “core connected persons” shall be construed accordingly
“Directors”	the directors, including independent non-executive directors of the Company
“Eligible Participants”	any Director, executive or employee of the Company or its subsidiaries
“Grantees”	Eligible Participants who accept the offer of options in accordance with the terms of the New Share Option Scheme or their personal representatives
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17th July, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Option Scheme Limit”	has the meaning given to it under the section headed “AMENDMENTS TO THE SHARE OPTION SCHEME – Background” of this circular
“Performance Share”	is an Award Share granted which vests subject to the applicable Performance Metrics (as defined in the rules of the Share Award Scheme) and in respect of such Performance Period (as defined in the rules of the Share Award Scheme), in respect of each award of Performance Shares, or any other performance conditions, as determined by the Company from time to time
“Performance Share Unit”	is a conditional right to receive one Share granted in connection with an award made in accordance with the Share Award Scheme, which vests subject to the applicable Performance Metrics (as defined in the rules of the Share Award Scheme) and in respect of such Performance Period (as defined in the rules of the Share Award Scheme), in respect of each award of Performance Share Units, or any other performance conditions, as determined by the Company from time to time, in accordance with the rules of the Share Award Scheme
“Proposed Amendments”	the proposed amendments to the Articles as set out in Appendix IV to this circular
“Restricted Share”	is an Award Share granted to the relevant Eligible Participant, as determined by the Company in accordance with the rules of the Share Award Scheme
“Restricted Share Unit”	is a conditional right to receive one Share granted in connection with an Award made in accordance with the rules of the Share Award Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Award”	individually or collectively, any award to a Share Award Eligible Participant of any Restricted Share, Performance Share, Restricted Share Unit or Performance Share Unit

DEFINITIONS

“Share Award Eligible Participant”	any employee, executive or director of the Company or any of its Subsidiaries in accordance with the Share Award Scheme Rules. A Share Award Eligible Participant must remain eligible during the period when any Share Award is granted to him and when the Share Award remains outstanding. In the event that the Company determines that a Share Award Eligible Participant fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding Share Award granted to such Share Award Eligible Participant to the extent not already vested
“Share Award Scheme”	the Company’s share award scheme adopted on 22nd March, 2021
“Share Award Scheme Rules”	the rules of the Share Award Scheme
“Share Option Eligible Participant”	any Director, executive or employee of the Company or its Subsidiaries in accordance with the Share Option Scheme Rules. Any person or company whom or which the Board has resolved is qualified to be a Share Option Eligible Participant must remain eligible during the period when any option granted to him or it remains outstanding. In the event that the Board has resolved that a Grantee fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding option or part thereof granted to such grantee to the extent not already exercised
“Share Option Scheme”	the Company’s share option scheme adopted on 30th August, 2022
“Shares”	ordinary shares of the Company
“Share Issue Mandate”	a general and unconditional mandate to be given to the Directors to issue, allot and deal with Shares not exceeding 10% of the aggregate number of Shares in issue of the Company as at the date of passing of the relevant resolution to approve such mandate
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which the grantee of the options may subscribe for the Shares on the exercise of an option under the New Share Option Scheme
“Subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance and “Subsidiaries” shall be construed accordingly

DEFINITIONS

“Substantial Shareholders”	has the meaning ascribed to such term from time to time in the Listing Rules
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5th September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers
“%”	per cent
“2021 Share Award Scheme”	the Company’s share award scheme adopted on 22nd March, 2021
“2022 Share Option Scheme”	the Company’s share option scheme adopted on 30th August, 2022

LETTER FROM THE BOARD



Vitasoy International Holdings Ltd.

維他奶國際集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

Directors:

Mr. Winston Yau-lai LO (*Executive Chairman*)
Dr. the Hon. Sir David Kwok-po LI (*Independent Non-executive Director*)
Mr. Jan P. S. ERLUND (*Independent Non-executive Director*)
Mr. Anthony John Liddell NIGHTINGALE
(*Independent Non-executive Director*)
Mr. Paul Jeremy BROUGH (*Independent Non-executive Director*)
Dr. Roy Chi-ping CHUNG (*Independent Non-executive Director*)
Ms. Yvonne Mo-ling LO (*Non-executive Director*)
Mr. Peter Tak-shing LO (*Non-executive Director*)
Ms. May LO (*Non-executive Director*)
Mr. Roberto GUIDETTI (*Executive Director*)
Mr. Eugene LYE (*Executive Director*)

Registered Office:
No.1 Kin Wong Street,
Tuen Mun,
New Territories,
Hong Kong

21st July, 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO SHARE AWARD SCHEME,
AMENDMENTS TO SHARE OPTION SCHEME,
AMENDMENTS TO THE ARTICLES AND
ADOPTION OF THE AMENDED AND RESTATED ARTICLES,
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to approve the grant of the Buy-back Mandate and the Share Issue Mandate, the extension of the Share Issue Mandate, the re-election of Directors, the amendments of the Share Award Scheme, the amendment of the Share Option Scheme and the amendments to the Articles and the adoption of the Amended and Restated Articles.

The purpose of this circular is to provide you with information regarding the above proposals and to seek the approval of Shareholders for the resolutions relating to such matters at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO BUY-BACK SHARES

An ordinary resolution will be proposed at the AGM to approve the grant of a Buy-back Mandate to the Board which will continue until the first to occur of the following: the conclusion of the next annual general meeting of the Company following the passing of the resolution (unless the mandate is renewed at such meeting), or the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance or the Company's articles of association to be held, or the time when the mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting. The Shares which may be bought-back pursuant to the Buy-back Mandate is limited to a maximum of 10% of the number of Shares in issue of the Company at the date of the passing of the ordinary resolution approving the Buy-back Mandate. Subject to the passing of the ordinary resolution to approve the Buy-back Mandate and on the basis that the number of Shares in issue as at the Latest Practicable Date was 1,072,814,812 Shares, and assuming that no further Shares will be issued or bought-back prior to the AGM, the Company will be allowed to buy-back a maximum of 107,281,481 Shares.

GENERAL MANDATE TO ISSUE SHARES AND EXTENSION OF SHARE ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed to approve the grant to the Board of a Share Issue Mandate to issue further new Shares representing up to 10% of the aggregate number of Shares in issue of the Company on the date such resolution is passed. Subject to the passing of the ordinary resolution to approve the Share Issue Mandate and on the basis that the number of Shares in issue as at the Latest Practicable Date was 1,072,814,812 Shares and assuming that no further Shares will be issued or bought-back prior to the AGM, the Company will be allowed to issue a maximum of 107,281,481 Shares. In addition, an ordinary resolution will also be proposed to authorise an extension of the Share Issue Mandate to be granted to the Board to issue new Shares during the period up to the next annual general meeting of the Company or such earlier period as stated in such resolution by adding to it the number of Shares bought-back under the Buy-back Mandate.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the rules of the 2021 Share Award Scheme and the 2022 Share Option Scheme.

RE-ELECTION OF DIRECTORS

Dr. Roy Chi-ping CHUNG, Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO, Ms. May LO and Mr. Eugene LYE will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election pursuant to Article 104 of the Company's Articles of Association and Code Provision B.2.2 of Appendix 14 of the Listing Rules.

The Remuneration and Nomination Committee considered and assessed the suitability of Dr. Roy Chi-ping CHUNG, Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO, Ms. May LO and Mr. Eugene LYE for re-election in accordance with the Director Nomination Policy. The Remuneration and Nomination Committee also took into account the structure, size and composition of the Board as well as various diversity aspects set out in the Board Diversity Policy.

LETTER FROM THE BOARD

Both the Remuneration and Nomination Committee and the Board have assessed and reviewed the written confirmation of independence of Dr. Roy Chi-ping CHUNG who is the Independent Non-executive Director and are satisfied that he remains independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

The Board has considered the recommendation of the Remuneration and Nomination Committee and is satisfied that Dr. Roy Chi-ping CHUNG, Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO, Ms. May LO and Mr. Eugene LYE possess the requisite skills, knowledge and experience to perform their roles and responsibilities and at the same time contribute to the diversity of the Board.

The details of Directors who are proposed to be re-elected at the AGM are as follows:

Dr. Roy Chi-ping CHUNG (*GBS, BBS, JP*), aged 70, was appointed an Independent Non-executive Director of the Company in June 2017. Dr. Chung holds a Doctor of Engineering Degree from the University of Warwick, United Kingdom and Doctor of Business Administration Degree from City University of Macau. He was re-appointed as an Industrial Professor by the University of Warwick, United Kingdom in December 2020. He was awarded an Honorary Doctor of Business Administration by the Lingnan University in 2015, an Honorary Doctor of Business Administration by the Hong Kong Polytechnic University in 2007, an Honorary Doctorate Degree by the University of Newcastle, New South Wales, Australia in 2006, an Honorary Doctor of Science by The University of Warwick, United Kingdom in 2019 and a Doctor of Business Administration *honoris causa* by The University of Macau in 2019. He was awarded the Bronze Bauhinia Star (BBS) and Gold Bauhinia Star (GBS) by the Hong Kong Special Administrative Region Government on 1st July 2011 and 1st July 2017 respectively. He was also appointed as Justice of Peace by the Hong Kong Special Administrative Region Government on 1st July 2005 and won the Hong Kong Young Industrialists Award in 1997. In November 2014, he was further awarded the Industrialist of the Year. Dr. Chung is a Board Member of the West Kowloon Cultural District Authority. He was appointed as the Chairman of the Federation of Hong Kong Industries from July 2011 to July 2013 and now its Honorary President. He was appointed as the chairman of Vocational Training Council from January 2018 to December 2019. He is also the founder and chairman of Bright Future Charitable Foundation. Dr. Chung is a co-founder and currently a non-executive director of Techtronic Industries Company Limited. Dr. Chung is also an independent non-executive director of TK Group (Holdings) Limited, a company listed in Hong Kong. Dr. Chung retired as independent non-executive director of Kin Yat Holdings Limited, KFM Kingdom Holdings Limited and Fujikon Industrial Holdings Limited effective from 25th August 2014, 27th August 2015 and 23rd June 2021 respectively.

Save as disclosed above, Dr. Chung is not related to any Director, senior management or substantial or controlling shareholder of the Company. Dr. Chung has not held any positions with the Company and other members of the Group, and has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Dr. Chung does not have any interests in the Shares within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO.

As an Independent Non-executive Director, Dr. Chung has not entered into any service contract with the Company.

LETTER FROM THE BOARD

Dr. Chung is appointed for a specific term of not more than three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 104 of the Articles and Code Provision B.2.2 of Appendix 14 of the Listing Rules. The fee payable to Dr. Chung is determined by the Remuneration and Nomination Committee and the Board with reference to the roles and responsibilities performed by him as an Independent Non-executive Director of the Company and the market benchmark. The Director's fee of Dr. Chung as an Independent Non-executive Director and a member of the Remuneration and Nomination Committee will be at an amount of HK\$433,461 for the year of 2023/2024.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. Yvonne Mo-ling LO, aged 75, was appointed a Non-executive Director of the Company in 1993. Ms. Lo received a Bachelor of Arts degree from Oberlin College, Ohio in the United States and undertook graduate studies in Urban and Regional Planning at the University of Toronto in Canada. Ms. Lo joined the Group in 1980 and was the President of Vitasoy USA until 2001. Ms. Lo was the president of the Soyfoods Association of North America which represents more than 30 soyfoods companies covering the US and Canada. She does not hold/has not held any directorship in other listed public companies currently and in the past three years. She is the mother of Dr. Keiko Aun Fukuda (a substantial shareholder of the Company), the sister of Mr. Winston Yau-lai Lo (the Executive Chairman of the Company) and Ms. Irene Chan (the substantial shareholder of the Company) and the relative of Mr. Peter Tak-shing Lo (a Non-executive Director of the Company), Ms. May Lo (a Non-executive Directors of the Company), Mr. Eugene Lye (an Executive Director of the Company), Ms. Joy Lo Cheung, Mr. Christopher Lye and Ms. Alexandra Chan (the substantial shareholders of the Company). All the aforesaid substantial shareholders are trustees of Lo Kwee Seong Foundation, a charitable trust holding 6.77 per cent of the total number of Shares in issue of the Company as at the Latest Practicable Date, and are therefore deemed to be interested in such Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Lo is not related to any Director, senior management or substantial or controlling shareholder of the Company. Ms. Lo has not held any positions with the Company and other members of the Group, and has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Ms. Lo had a trust interest of 92,084,750 Shares in the Company (representing 8.58 per cent of the total number of Shares in issue of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO. Her total trust interest of 92,084,750 Shares included 72,678,300 Shares held by Lo Kwee Seong Foundation, a charitable trust holding 6.77 per cent of the total number of Shares in issue of the Company. Ms. Lo is one of the trustees of Lo Kwee Seong Foundation and is therefore deemed to be interested in such Shares.

As a Non-executive Director, Ms. Lo has not entered into any service contract with the Company.

LETTER FROM THE BOARD

Ms. Lo is appointed for a specific term of not more than three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 104 of the Articles of Association and Code Provision B.2.2 of Appendix 14 of the Listing Rules. The fee payable to Ms. Lo is determined by the Remuneration and Nomination Committee and the Board with reference to the roles and responsibilities performed by her as the Non-executive Director of the Company and the market benchmark. The Director's fee of Ms. Lo as a Non-executive Director and a member of the Remuneration and Nomination Committee will be at an amount of HK\$298,400 for the year of 2023/2024.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Peter Tak-shing LO, aged 61, was appointed a Non-executive Director of the Company in June 2017, Mr. Lo holds a Bachelor's Degree in Electronic Engineering & Physics from the Loughborough University of Technology, a Master's Degree in Medical Physics from the University of Surrey, a Doctorate's Degree in Medical Physics from the University of London and an Honorary Fellow from The Chinese University of Hong Kong. Mr. Lo is an executive director and the chief executive officer of Cafe de Coral Holdings Limited, a company listed on the Hong Kong Stock Exchange. Mr. Lo is the chairman and a trustee of Lo Kwee Seong Foundation (a charitable trust) being a substantial shareholder of the Company within the meaning of Part XV of the SFO. Save as disclosed, he has not held any directorship in other listed public companies in the last three years. Mr. Lo is the relative of Mr. Winston Yau-lai Lo (the Executive Chairman of the Company), Ms. Yvonne Mo-ling Lo (a Non-executive Director of the Company), Ms. May Lo (a Non-executive Director of the Company), Mr. Eugene Lye (an Executive Director of the Company), Ms. Irene Chan, Ms. Joy Lo Cheung, Mr. Christopher Lye, Dr. Keiko Aun Fukuda and Ms. Alexandra Chan (the substantial shareholders of the Company). All the abovesaid substantial shareholders are trustees of Lo Kwee Seong Foundation, a charitable trust (representing 6.77 per cent of the total number of Shares in issue of the Company as at the Latest Practicable Date) and are therefore deemed to be interested in such Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lo is not related to any Director, senior management or substantial or controlling shareholder of the Company. Mr. Lo has not held any positions with the Company and other members of the Group, and has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Lo had a personal interest of 9,198,000 Shares and a trust interest of 121,657,000 Shares in the Company (representing 12.20 per cent of the total number of Shares in issue of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO. His total trust interest of 121,657,000 Shares included 72,678,300 Shares held by Lo Kwee Seong Foundation, a charitable trust holding 6.77 per cent of the total number of Shares in issue of the Company. Mr. Lo is one of the trustees of Lo Kwee Seong Foundation and is therefore deemed to be interested in such Shares.

As a Non-executive Director, Mr. Lo has not entered into any service contract with the Company.

LETTER FROM THE BOARD

Mr. Lo is appointed for a specific term of not more than three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 104 of the Articles of Association and Code Provision B.2.2 of Appendix 14 of the Listing Rules. The fee payable to Mr. Lo is determined by the Remuneration and Nomination Committee and the Board with reference to the roles and responsibilities performed by him as the Non-executive Director of the Company and the market benchmark. The Director's fee of Mr. Lo as a Non-executive Director and a member of the Remuneration and Nomination Committee will be at an amount of HK\$298,400 for the year of 2023/2024.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. May LO, aged 48, was appointed a Non-executive Director of the Company in June 2017. Ms. Lo holds a Master's degree in Business Administration from MIT Sloan School of Management and a Bachelor of Science degree from Cornell University. She has worked in finance in various roles, including, as a fund manager for a global asset management company and has had experience investing in publicly listed companies. She does not hold/has not held any directorship in other listed public companies currently and in the past three years. Ms. Lo is the daughter of Mr. Winston Yau-lai Lo (the Executive Chairman of the Company), the sister of Ms. Joy Lo Cheung (a substantial shareholder of the Company), the relative of Ms. Yvonne Mo-ling Lo (a Non-executive Director of the Company), Mr. Peter Tak-shing Lo (a Non-executive Director of the Company), Mr. Eugene Lye (an Executive Director of the Company), Ms. Irene Chan, Mr. Christopher Lye, Dr. Keiko Aun Fukuda and Ms. Alexandra Chan (the substantial shareholders of the Company). All the abovesaid substantial shareholders are trustees of Lo Kwee Seong Foundation, a charitable trust (representing 6.77 per cent of the total number of Shares in issue of the Company as at the Latest Practicable Date) and are therefore deemed to be interested in such Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Lo is not related to any Director, senior management or substantial or controlling shareholder of the Company. Ms. Lo has not held any positions with the Company and other members of the Group, and has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Ms. Lo had a personal interest of 2,100,000 Shares in the Company (representing 0.20 per cent of the total number of Shares in issue of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO.

As a Non-executive Director, Ms. Lo has not entered into any service contract with the Company.

Ms. Lo is appointed for a specific term of not more than three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 104 of the Articles of Association and Code Provision B.2.2 of Appendix 14 of the Listing Rules. The fee payable to Ms. Lo is determined by the Remuneration and Nomination Committee and the Board with reference to the roles and responsibilities performed by her as the Non-executive Director of the Company and the market benchmark. The Director's fee of Ms. Lo as a Non-executive Director, a member of the Remuneration and Nomination Committee and ESG Committee will be at an amount of HK\$348,400 for the year of 2023/2024.

LETTER FROM THE BOARD

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Eugene LYE, aged 53, was appointed an Executive Director of the Company in October 2017. Mr. Lye is currently the President and Chief Executive Officer of Vitasoy USA Inc. and Vitasoy North America Inc., the subsidiaries of the Company. Mr. Lye holds a Bachelor's Degree in Economics from the University of Toronto and a MBA from the Chinese University of Hong Kong. Mr. Lye is responsible for the general management and development of the Group's import business of the Group's products for sales in North America. He joined the Group in 2002 and has been closely involved in all aspects of the North American business for over 20 years. During his time at Vitasoy USA Inc., Mr. Lye has held management positions in sales and marketing in the Mainstream Channel, and has had oversight responsibilities for both the research & development and quality control departments as well as serving as the Senior Vice President of the Asian Channel. He does not hold/has not held any directorship in other listed public companies currently and in the past three years. Mr. Lye is the brother of Mr. Christopher Lye (a substantial shareholder of the Company), the relative of Mr. Winston Yau-lai Lo (the Executive Chairman of the Company), Ms. Yvonne Mo-ling Lo, Mr. Peter Tak-shing Lo and Ms. May Lo (the Non-executive Directors of the Company), Ms. Irene Chan, Ms. Joy Lo Cheung, Dr. Keiko Aun Fukuda and Ms. Alexandra Chan (the substantial shareholders of the Company). All the abovesaid substantial shareholders are trustees of Lo Kwee Seong Foundation, a charitable trust (representing 6.77 per cent of the total number of Shares in issue of the Company as at the Latest Practicable Date) and are therefore deemed to be interested in such Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lye is not related to any Director, senior management or substantial or controlling shareholder of the Company. Mr. Lye holds directorships in certain companies controlled by the Company and has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Lye had a personal interest of 442,313 Shares in the Company (representing 0.04 per cent of the total number of Shares in issue of the Company) within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO.

The Director's fee payable to Mr. Lye is determined by the Board of Directors of the Company with reference to his duties and responsibilities with the Company and the market benchmark. The Director's fee of Mr. Lye as an Executive Director will be at an amount of HK\$248,400 for the year of 2023/2024. There exists a service agreement between Mr. Lye and the Company ("Service Agreement") under which the amount of his emoluments, inclusive of basic salary and other allowances, is approximately HK\$2 million for the year of 2023/2024. In addition, a discretionary bonus is payable under the Service Agreement to Mr. Lye with the amount of such bonus to be fixed at the discretion of the Remuneration and Nomination Committee each year. The emoluments and discretionary bonus payable to Mr. Lye under the Service Agreement is determined by the Remuneration and Nomination Committee with reference to the Company's and Mr. Lye's performance, the industry benchmark and general market conditions. Mr. Lye is subject to retirement by rotation and re-election at the AGM in accordance with Article 104 of the Articles of Association and Code Provision B.2.2 of Appendix 14 of the Listing Rules.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

AMENDMENTS TO THE SHARE AWARD SCHEME

Background

The Share Award Scheme was adopted by the Company on 22nd March, 2021 and took effect on 1st July, 2021 for a period of ten years. Details of the existing Share Award Scheme are set out in the announcement of the Company dated 30th June, 2021.

The purposes of the Share Award Scheme are to attract and retain management and key employees, to align Share Award Eligible Participants' interests with the long-term success of the Company, to provide fair and competitive compensation to management and key employees and to drive the achievement of strategic objectives of the Company. The Share Award Scheme will provide the Share Award Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives: (i) motivating the Share Award Eligible Participants to utilise their performance and efficiency for the benefit of the Group and (ii) attracting and retaining or otherwise maintaining an ongoing relationship with the Share Award Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

In accordance with the rules of the Share Award Scheme, the Company may, in accordance with the trust deed, instruct the trustee of the Share Award Scheme to acquire such number of Shares on the Stock Exchange at the prevailing market price on the acquisition date and fund such acquisition by the trustee and/or, subject to any applicable requirement of law or regulation (including the Listing Rules), allot and issue such number of Shares to the trustee, for the satisfaction of any outstanding Award.

Under the proposed amendments to the Share Award Scheme, the minimum period of vesting of Share Awards granted thereunder is 12 months (or such other period as may be prescribed by the Listing Rules from time to time), except in specified circumstances and determined at the absolute discretion of the Board and/or Company (as set out in Rule 9.3 as detailed in Appendix II of this circular). The Board and the Remuneration and Nomination Committee of the Company are of the view that allowing for a shorter vesting period (which may potentially be less than 12 months) in each of the specific circumstances is appropriate and in line with the purposes of the Share Award Scheme and the market practice, as it gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; or (ii) attract talents or reward exceptional performers with accelerated vesting. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the discretion in allowing a shorter vesting period in each of the specified circumstances detailed below aligns with the purpose of the Share Award Scheme.

LETTER FROM THE BOARD

Pursuant to the Share Award Scheme Rules, an Award Holder may be granted a Share Award of Restricted Shares, Performance Shares, Restricted Share Units or Performance Share Units. Performance Shares and Performance Share Units shall vest on the dates stated in the relevant offers, subject to any other conditions set out in the relevant offer (including, without limitation, any relevant performance metrics for the relevant performance period). Performance Shares and Restricted Shares are shares issued at the time of grant; Performance Share Units and Restricted Share Units are different from Performance Shares and Restricted Shares in that they create rights (conditional upon satisfaction of the requirement set out under the Share Award Scheme Rules) to receive one share per each vested unit. An Award Holder who holds Performance Share Units or Restricted Share Units (as the case may be) shall have no beneficial interest in any share(s) with respect to the share(s) associated with the relevant Performance Share Units or Restricted Share Units (as the case may be) prior to vesting of the share unit(s) and delivery of the share(s). Further details are set out in Appendix II of this circular. The Claw-back mechanism in relation to the Share Award Scheme is also set out in Rule 12 and Appendix 1 of the Share Award Scheme as detailed in Appendix II of this circular. The Directors consider that the aforesaid criteria and rules and Claw-back mechanism will enable the Directors to properly operate and regulate the Share Award Scheme and thus help serve the purpose of the Share Award Scheme and to preserve the value of the Company.

None of the Directors is a trustee of trusts operated under the Share Award Scheme, or has a direct or indirect interest in such trustees.

Pursuant to the Share Award Scheme, the number of Shares that may be granted under the Share Award Scheme (but excluding those Share Awards which were granted but subsequently lapsed, forfeited or otherwise determined prior to their vesting) shall not exceed the equivalent of five (5) per cent of the number of issued Shares of the Company as at the date the Share Award Scheme becomes effective on 1st July, 2021 (being 53,371,075 Shares) (the “Award Scheme Limit”). As at the Latest Practicable Date, 3,993,633 Shares were granted under the Share Award Scheme, representing approximately 7.48% of the Award Scheme Limit and 0.37% of the total issued Shares as at the same date, respectively.

Implication under the Listing Rules

When the Share Award Scheme was adopted, it was not a share scheme governed by the then Chapter 17 of the Listing Rules. The requirements under the amended Chapter 17 of the Listing Rules, which came into effect on 1st January, 2023, apply to all share schemes, including the Share Award Scheme. Accordingly, the Board is proposing certain amendments to be made to the Share Award Scheme primarily to bring the terms of the Share Award Scheme in line with the amended Chapter 17 of the Listing Rules. Other amendments are also proposed to be made to the Share Award Scheme to align its terms with market practice.

Pursuant to the requirements under the amended Chapter 17 of the Listing Rules, a share scheme of a listed issuer must be approved by its shareholders in general meeting. Further, the Listing Rules require that any alterations to the terms and conditions of a share scheme which are of a material nature, or any change to the terms of options or awards granted to a participant (which does not take effect automatically under the existing terms of the scheme and the initial grant was approved by the shareholders) shall be approved by the shareholders of the listed issuers.

LETTER FROM THE BOARD

As the proposed amendments to the Share Award Scheme are of a material nature and may adversely affect certain rights of the grantees under the Share Award Scheme which accrued prior to the proposed amendments becoming effective (including, without limitation, the vesting period, equitable adjustment and cancellation of the Awards), they shall be subject to approval by Shareholders at the AGM in accordance with the amended Chapter 17 of the Listing Rules.

In the event the proposed amendments to the Share Award Scheme were not approved by the Shareholders at the AGM, the Company would only operate the existing Share Award Scheme and grant or vest the Share Awards under the same to the extent permitted by the Consultation Conclusions and the amended Chapter 17 of the Listing Rules.

Proposed Share Award Scheme Amendments

The proposed amendments to the Share Award Scheme are set out in Appendix II to this circular. Key changes to the Share Award Scheme pursuant to the proposed amendments include, without limitation, the following:

- (i) amending the Award Scheme Limit such that the total number of Shares which may be issued upon exercise of all Share Awards to be granted under this Scheme and any other share award scheme and share option to be granted under any other share options schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the proposed amendments to the Share Award Scheme (being the date of the AGM), save as refreshed in accordance with the proposed amendments in (ii) below;
- (ii) requirement to seek the independent Shareholders' approval for refreshment of the Award Scheme Limit within three years from the date of the Shareholders' approval for such limits or for their last refreshment (as the case may be);
- (iii) amending the limit on the total number of Shares which may be granted to any grantee in the 12-month period up to and including the date of such new grant from 0.2% of issued Shares to 1% of issued Shares as at the date of such new grant, and including all options and awards to be granted under all share scheme(s) in this individual limit, and requirement to seek the Shareholders' approval for any new grant of which would result in exceeding this 1% individual limit;
- (iv) requirements to seek the independent non-executive Directors' approval for any grant of Share Award(s) to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective Associates, and to seek the Shareholders' approval for any grant of Share Award(s) to:
 - (a) a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective Associates that would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue; and

LETTER FROM THE BOARD

- (b) an independent non-executive Director or Substantial Shareholder of the Company, or any of their respective Associates that would result in the Shares issued and to be issued upon exercise of all options and/or awards already granted (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue;
- (v) inclusion of a minimum vesting period of 12 months (or such other period as may be prescribed by the Listing Rules from time to time), subject to a shorter vesting period determined at the absolute discretion of the Board and/or Company under specified circumstances;
- (vi) amending the provisions and procedures for equitable adjustment to the Share Awards granted under the Share Award Scheme in the event of any from any capitalisation issue, rights issue or open offer to the Shareholders which has a price-dilutive effect, consolidation or sub-division of Shares or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange;
- (vii) permitting the Board, in its sole discretion, to cancel an Award Share granted but which remains unvested with the approval of the Award Holder of such Award Share in certain circumstances, including where it is necessary to comply with the Listing Rules, or proposed or existing legislation, law or other regulatory requirements in which the Award Holder and the Company are subject to;
- (viii) requirement to seek the Shareholders' approval for any alteration of the Share Award Scheme which are of a material nature or any alterations to the provisions of the Share Award Scheme relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of any Award Holders or prospective Award Holders;
- (ix) any dispute arising in connection with the Share Award Scheme (whether as to the number of Shares, the subject of a Share Award or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Award Holder; and
- (x) house-keeping amendments to align the wording of the Share Award Scheme with that of the amended Chapter 17 of the Listing Rules and other consequential amendments in connection with the Share Award Scheme amendments.

LETTER FROM THE BOARD

AMENDMENTS TO THE SHARE OPTION SCHEME

Background

The Share Option Scheme was approved and adopted by Shareholders at the annual general meeting of the Company held on 30th August, 2022 and took effect on the same day and is valid and effective for a period of ten years from adoption. Details of the existing Share Option Scheme are set out in the circular of the Company dated 26th July, 2022. The purposes of the Share Option Scheme are to attract and retain management and key employees, to align Share Option Eligible Participants' interests with the long-term success of the Company, to provide fair and competitive compensation to management and key employees and to drive the achievement of strategic objectives of the Company. The Share Option Scheme will provide the Share Option Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives: (i) motivating the Share Option Eligible Participants to utilise their performance and efficiency for the benefit of the Group and (ii) attracting and retaining or otherwise maintaining an ongoing relationship with the Share Option Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

Under the proposed amendments to the Share Option Scheme, the minimum period of vesting of options granted thereunder is 12 months (or such other period as may be prescribed by the Listing Rules from time to time), except in specified circumstances and determined at the absolute discretion of the Board and/or Company (as set out in Rule 9.3 as detailed in Appendix III of this circular). The Board and the Remuneration and Nomination Committee of the Company are of the view that allowing for a shorter vesting period (which may potentially be less than 12 months) in each of the specific circumstances is appropriate and in line with the purposes of the Share Option Scheme and the market practice, as it gives the Company more flexibility to (i) adapt to exceptional and justified circumstances; or (ii) attract talents or reward exceptional performers with accelerated vesting. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the discretion in allowing a shorter vesting period in each of the specified circumstances detailed below aligns with the purpose of the Share Option Scheme.

The Share Option Scheme also does not specify a performance metric which must be achieved before an option can be exercised. Subject to the above, at the time of the grant of the options, the Company may specify such performance target and the terms of the Share Option Scheme provided that the Board may determine, at its sole discretion, such terms(s) on the grant of an option. The basis for determination of the exercise price is also specified in the terms of the Share Option Scheme. Subject to the Listing Rules, the Board has the discretion in determining the exercise price in respect of any option. The Claw-back mechanism in relation to the Share Option Scheme is set out in Rule 16 and Appendix 1 of the Share Option Scheme as detailed in Appendix III of this circular. The Directors consider that the aforesaid criteria and rules and Claw-back mechanism will enable the Directors to properly operate and regulate the Share Option Scheme and thus help serve the purpose of the Share Option Scheme and to preserve the value of the Company.

The Share Option Scheme has no trustee and will be subject to the administration of the Board or, where the Board has delegated the power to make the relevant decision, the relevant person(s) to which or whom such power is delegated.

LETTER FROM THE BOARD

Pursuant to the Share Option Scheme, the number of options that may be granted under the Share Option Scheme and any other share option scheme and share awards to be granted under any other share award schemes of the Company (but excluding those options or awards which lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme or any other share award schemes of the Company) shall not exceed the equivalent of ten (10) per cent of the number of issued Shares of the Company as at the date of approval of the Share Option Scheme on 30th August, 2022 (being 107,080,103 Shares) (the “Option Scheme Limit”). As at the Latest Practicable Date, 3,164,000 options were granted under the Share Option Scheme, representing approximately 2.95% of the Option Scheme Limit and 0.29% of the total issued Shares as at the same date, respectively.

Implication under the Listing Rules

The amended Chapter 17 of the Listing Rules, which came into effect on 1st January, 2023, applies to all share schemes, including the Share Option Scheme. Accordingly, the Board is proposing certain amendments to be made to the Share Option Scheme primarily to bring the terms of the Share Option Scheme in line with the amended Chapter 17 of the Listing Rules. Other amendments are also proposed to be made to the Share Award Scheme to align its terms with market practice.

Pursuant to the requirements under the amended Chapter 17 of the Listing Rules, a share scheme of a listed issuer must be approved by its shareholders in general meeting. Further, the Listing Rules require that any alterations to the terms and conditions of a share scheme which are of a material nature, or any change to the terms of options or awards granted to a participant (which does not take effect automatically under the existing terms of the scheme and the initial grant was approved by the shareholders) shall be approved by the shareholders of the listed issuers.

As the proposed amendments to the Share Option Scheme are of a material nature and may adversely affect certain rights of the grantees under the Share Option Scheme which accrued prior to the proposed amendments becoming effective, they shall be subject to approval by Shareholders at the AGM in accordance with the amended Chapter 17 of the Listing Rules.

In the event the proposed amendments to the Share Option Scheme were not approved by the Shareholders at the AGM, the Company would only operate the existing Share Option Scheme and grant or vest or issue Shares upon the exercise of the options under the same to the extent permitted by the Consultation Conclusions and the amended Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Proposed Share Option Scheme Amendments

The proposed amendments to the Share Option Scheme are set out in Appendix III to this circular. Key changes to the Share Option Scheme pursuant to the proposed amendments include, without limitation, the following:

- (i) removing the requirement that the number of outstanding options should not exceed 30% of the issued shares from time to time, which was removed in the amended Chapter 17 of the Listing Rules;
- (ii) amending the Option Scheme Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under this Scheme and any other share option scheme and share awards to be granted under any other share award schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the proposed amendments to the Share Option Scheme (being the date of the AGM);
- (iii) amending the limit on the total number of Shares which may be granted to any grantee in the 12-month period up to and including the date of such new grant to include all options and awards to be granted under all share scheme(s) in this individual limit;
- (iv) removing the requirement to seek Shareholders' approval for any grant of option(s) to an independent non-executive Director or Substantial Shareholder of the Company, or any of their respective Associates, which would, in aggregate value, based on the closing price of the Shares at the date of each grant, be in excess of HK\$5,000,000;
- (v) inclusion of a minimum vesting period of 12 months (or such other period as may be prescribed by the Listing Rules from time to time), subject to a shorter vesting period determined at the absolute discretion of the Board and/or Company under specified circumstances;
- (vi) requirement to seek the Shareholders' approval for any alteration of the Share Option Scheme which are of a material nature or any alterations to the provisions of the Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of any grantees or prospective grantees; and
- (vii) house-keeping amendments to align the wording of the Share Option Scheme with that of the amended Chapter 17 of the Listing Rules and other consequential amendments in connection with the Share Option Scheme amendments.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES AND THE ADOPTION OF THE AMENDED AND RESTATED ARTICLES

The Board proposes to make certain amendments to the Articles with a view to (i) bring the Articles in line with the current provisions of the Companies Ordinance and Listing Rules, particularly Appendix 3 to the Listing Rules concerning the core shareholder protection standards; (ii) provide more flexibility to the Company in holding general meetings as hybrid and virtual meetings in addition to physical meetings; (iii) allow every document or instrument to which the common seal is affixed shall be signed by two Directors or by one Director and the secretary or by any two persons duly authorized by the Board or a committee of the Board; (iv) modernise and update the Articles; and (v) make other housekeeping amendments. The Board proposes to put forward to the Shareholders a special resolution to adopt the Amended and Restated Articles with the Proposed Amendments incorporated in substitution for, and to the exclusion of, the Articles.

The full particulars of the Proposed Amendments (as marked up against the Articles) are set out in Appendix IV to this circular. The Amended and Restated Articles are written in English only. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the Amended and Restated Articles is purely a translation only. Should there be any inconsistency or discrepancy between the English version and its Chinese translation, the English version shall prevail.

The adoption of the Amended and Restated Articles is subject to approval of the Shareholders by way of a special resolution at the AGM and will become effective upon the approval by the Shareholders at the AGM. A summary of the major changes to the Articles are set out below:

- (a) to update the references relating to the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) where appropriate;
- (b) to allow the Company to hold general meetings at one or more locations or as hybrid meetings, and the powers of the Board and the chairman in relation thereto;
- (c) to include the additional details to be specified in a notice of general meeting in light of allowing general meetings to be held at more than one meeting location, or as a hybrid meeting;
- (d) to provide all Shareholders shall have the right to speak and vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
- (e) to set out other related powers of the Board and the chairman of the general meeting, including arrangements for attendance at general meetings as well as ensuring the security and orderly conduct of the meetings;
- (f) to allow every document to which the common seal is affixed shall be signed by two Directors or by one Director and the secretary or by any two persons duly authorized by the Board or a committee of the Board;

LETTER FROM THE BOARD

- (g) to allow the Company to execute a document as a deed without using its common seal as permitted under the Companies Ordinance;
- (h) to provide that the appointment, removal and remuneration of auditors must be approved by a majority of the Shareholders who are independent of the Board; and
- (i) to provide that not less than seventy-five per cent of the total voting rights of the Shareholders in a general meeting shall be required to approve changes to the articles of association of the Company and to approve a voluntary winding up of the Company.

The legal adviser to the Company as to Hong Kong laws have confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of Hong Kong. The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend at the AGM, you are requested to complete and return the form of proxy to the registered office of the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

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.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that the grant of the Buy-back Mandate and the Share Issue Mandate, the extension of the Share Issue Mandate, the re-election of Directors, the amendments of the Share Award Scheme, the amendments of the Share Option Scheme, the Proposed Amendment to the Articles and the adoption of the Amended and Restated Articles are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

Except for Computershare Hong Kong Trustees Limited, as the trustee holding unvested Shares under the Share Award Scheme, which is required to abstain from voting on matters that require Shareholders' approval under Rule 17.05A of the Listing Rules, no other Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the AGM. As at the Latest Practicable Date, Computershare Hong Kong Trustees Limited holds 637,225 unvested Shares under the Share Award Scheme.

DOCUMENTS ON DISPLAY

Copies of (i) the Share Award Scheme (as amended by the proposed amendments) and (ii) the Share Option Scheme (as amended by the proposed amendments) respectively, will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.vitasoy.com) for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

By Order of the Board
Winston Yau-lai LO
Executive Chairman

APPENDIX I BUY-BACK MANDATE EXPLANATORY STATEMENT

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Buy-back Mandate and should be read in conjunction with the Letter from the Board on pages 6 to 22 of this circular.

1. NUMBER OF SHARES IN ISSUE

As at the Latest Practicable Date, the number of Shares in issue of the Company comprised 1,072,814,812 Shares.

Subject to the passing of the ordinary resolution to approve the Buy-back Mandate and on the basis that no further Shares will be issued or bought-back prior to the AGM, the Company will be allowed under the Buy-back Mandate to buy-back a maximum of 107,281,481 Shares.

2. FUNDING OF BUY-BACKS

Buy-backs would be funded entirely from the Company's available cash flow or working capital facilities legally available for the purpose and in accordance with the laws of Hong Kong and the Articles of Association of the Company.

In the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period, there could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's latest published audited consolidated accounts for the year ended 31st March, 2023). However, the Board does not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

APPENDIX I BUY-BACK MANDATE EXPLANATORY STATEMENT

3. SHARE PRICES

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

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2022	13.80	11.62
August 2022	12.32	10.62
September 2022	12.38	9.70
October 2022	13.78	8.91
November 2022	14.98	12.58
December 2022	17.30	14.12
January 2023	18.16	15.70
February 2023	18.40	15.52
March 2023	16.98	14.74
April 2023	15.78	13.52
May 2023	14.20	12.40
June 2023	13.30	9.58
July 2023 (up to and including the Latest Practicable Date)	10.08	9.34

4. GENERAL

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the ordinary resolution proposed at the AGM in accordance with the Listing Rules and the laws of Hong Kong.

If, on the exercise of the power to buy-back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rule 26 of the Takeovers Code. To the best of the knowledge of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Winston Yau-lai LO, the Executive Chairman of the Company, and his immediate family were interested in 101,609,409 Shares, representing approximately 9.47% of the number of Shares in issue of the Company. In the event that the Buy-back Mandate is exercised in full, the interest of Mr. Winston Yau-lai LO and his immediate family would be increased to approximately 10.52% of the number of Shares in issue of the Company. As such, an exercise of the Buy-back Mandate in full will not result in Mr. Winston Yau-lai LO becoming obliged to make a mandatory offer under the Takeovers Code. According to the register kept by the Company pursuant to section 336 of the SFO, Mitsubishi UFJ Financial Group, Inc., a corporate shareholder of the Company,

APPENDIX I BUY-BACK MANDATE EXPLANATORY STATEMENT

was interested in 181,879,369 Shares, representing approximately 16.95% of the number of Shares in issue of the Company, as the largest single Shareholder as at the Latest Practicable Date, which, to the best knowledge of the Directors, does not have relationship with any Director(s). In the event that the Buy-back Mandate is exercised in full, the interest of Mitsubishi UFJ Financial Group, Inc. would be increased to approximately 18.84% of the number of Shares in issue of the Company, and therefore an exercise of the Buy-back Mandate in full will not result in Mitsubishi UFJ Financial Group, Inc. becoming obliged to make a mandatory offer under the Takeovers Code. The Board is not aware of any consequences which may arise under the Takeovers Code as a result of any buy-back made under the Buy-back Mandate.

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

No core connected persons has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

5. SHARE BUY-BACKS MADE BY THE COMPANY

No Share has been bought-back by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date before the printing of this circular.

6. REASONS FOR BUY-BACKS

The Board believes that it is in the best interests of the Company and its Shareholders as a whole to seek a general authority from the Shareholders to enable the Board to buy-back Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The number of Shares to be bought-back on any occasion and the price and other terms upon which the same are bought-back will be decided by the Board at the relevant time having regard to the circumstances then prevailing.

APPENDIX II PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME

The following are the proposed amendments to the Share Award Scheme. Unless otherwise specified, clauses referred to below are clauses of the respective amended Share Award Scheme. If the numbering of the clauses of the respective Share Award Scheme is changed due to addition, deletion or re-arrangement of certain clauses made in the proposed amendments, the numbering of the clauses of the respective Share Award Scheme as amended shall be changed accordingly.

The Share Award Schemes are prepared in English with no official Chinese version. The Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

1. Definitions and interpretation

1.1 In these Rules, except where the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition Date”	means the date on which the Trustee is to acquire Share(s), as instructed by the Company, in connection with an Award;
“Anniversary”	means the date that falls 12 calendar months from the date in question;
<u>“Approval Date”</u>	<u>means the date on which this Scheme was approved by a resolution of Shareholders in a general meeting of the Company held on 28th August, 2023;</u>
<u>“Associate”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
<u>“Auditor”</u>	<u>means the auditors for the time being of the Company;</u>
“Award”	means, individually or collectively, any award to an Eligible Participant of any Restricted Share, Performance Share, Restricted Share Unit or Performance Share Unit;
“Award Date”	means the date on which the Award is deemed to be granted to an Eligible Participant under the terms of the Award;
“Award Holder”	means the grantee for the time being of an Award who has accepted such Award;
“Award Shares”	means in respect of any Award, the Shares comprised in such Award;
“Benefits”	has the meaning given in Rule 8.109.11 <u>8.109.11</u> ;

APPENDIX II PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME

“Board”	means the board of directors <u>Directors</u> of the Company <u>or a committee thereof duly formed to administer matters in relation to this Scheme;</u>
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
<u>“chief executive”</u>	<u>has the meaning ascribed to it under the Listing Rules;</u>
“Claw-back”	means a recovery of value by the Company from an Award Holder or Share Recipient in accordance with the provisions of Rule 11.12 (<i>Claw-back</i>) and Appendix 1 (<i>Operation of Claw-back</i>);
<u>“Close Associate”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
“Companies Ordinance”	means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	means Vitasoy International Holdings Limited (維他奶國際集團有限公司), <u>the securities of which are listed on the Stock Exchange;</u>
<u>“Connected Person”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
<u>“Core Connected Person”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
“control”	means the power of a person to secure: (i) by holding shares or other securities, or by having voting power in or in relation to the relevant body corporate or any other body corporate; or (ii) by virtue of any powers conferred by the articles of association, bye-laws or other constitutional document regulating the relevant body corporate or any other body corporate, that the affairs of the relevant body corporate are conducted in accordance with the wishes of such person;
<u>“Controlling Shareholder”</u>	<u>has the same meaning as defined in the Listing Rules;</u>

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<u>“Date of Grant”</u>	<u>means the date (which must be a Business Day) on which the Board resolves by holding a Board meeting or passing a written resolution to grant an Award to an Eligible Participant under this Scheme;</u>
<u>“Director(s)”</u>	<u>means the director(s) of the Company for the time being;</u>
“Disability”	means, in relation to an Eligible Participant, where the Eligible Participant is unable to perform his/her employment as set out in his/her employment contract by reason of any medically determinable physical or mental impairment which has lasted, or can be expected to last, for a continuous period of not less than 12 months, in each case as evidenced to the satisfaction of the Company;
“Effective Date”	means 1st July, 2021;
“Eligible Participant”	means any employee, executive or director of the Company or any of its Subsidiaries. An Eligible Participant must remain eligible during the period when any Award is granted to him and when the Award remains outstanding. In the event that the Company determines that an Eligible Participant fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding Award granted to such Eligible Participant to the extent not already vested;
“Fair Market Value”	on a given date, means: (i) if the Shares are listed on the Stock Exchange, the official closing price of a Share reported in the daily quotation sheet of the Stock Exchange on such date or, if there is no such price on that date, then on the last preceding date on which such a price was reported;

- (ii) if the Shares are not listed on any securities exchange but are quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price of a Share reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or
- (iii) if the Shares are not listed on a securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Company to be the fair market value of a Share on such date based upon a good faith attempt to value the Shares accurately and computed in accordance with the International Financial Reporting Standards as applicable from time to time;

“Group”	means the Company and its Subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“in writing”	shall include, without limitation, letter, email, online communication and such other electronic and non-electronic communication as the Company may from time to time determine, in its absolute discretion, to be acceptable as a form of communication in terms of this Scheme;
“Leaver”	means an Award Holder that ceases to be an Eligible Participant due to any one of the following reasons: <ul style="list-style-type: none">(i) termination of employment as a result of death (as evidenced by the production to the Company of a death certificate) or Disability;

- (ii) retirement in accordance with his/her contract of employment or at the relevant retirement age and subject to such other conditions and requirements (applicable to the Award Holder) as set out in the Company's long-term incentive internal document(s) as drafted and amended by the Company from time to time (or, in the absence of such document, as determined by the Company from time to time). For avoidance of doubt, an Award Holder who is re-appointed under the new terms and conditions by any company in the Group, on or before his/her retirement date does not cease to be an Eligible Participant;
- (iii) termination of employment on the grounds of: (a) breach of contract or employment terms or duties; (b) misconduct (which, for the avoidance of doubt, includes any conduct which seriously threatens to bring any Group company into disrepute or that seriously jeopardises the good standing and reputation of any Group company); (c) any other circumstances justifying summary dismissal; (d) conviction for any criminal offence (other than a motoring offence for which no custodial sentence is given); or (e) bankruptcy or having become insolvent or appearing either to be unable to pay or to have no reasonable prospect of being able to pay debts or having made any arrangements or composition with his creditors in general, in each case as evidenced to the satisfaction of the Company;
- (iv) voluntary resignation by the Award Holder;
- (v) resignation or termination of employment on account of performance issues (including but not limited to, being placed on a performance improvement plan prior to cessation);
- (vi) the Award Holder not accepting a contract renewal offer that was offered to him in good faith by the Company or its Subsidiaries;

- (vii) redundancy or non-renewal of employment contract at the initiative of the Company or its Subsidiaries;
- (viii) any other termination initiated by the Company whereby the Award Holder does not fall within any other reason in this definition; or
- (ix) for any other reason as determined by the Group that such person shall be deemed to leave under other circumstances.

A determination of the Company or the relevant Group company to the effect that an Award Holder ceases to be an Eligible Participant on one or more of the grounds specified in (i) to (ix) above shall be conclusive and binding on the Award Holder and, where appropriate, his personal representative(s);

“Listing Rules”

means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;

“Other Related Income”

means all income and assets (other than in the form of cash) distributed by the Company to a Shareholder in relation to a Share held in the Trust or any Award Share, other than Related Shares;

“Performance Metrics”

means the metrics determined by the Company from time to time for the purposes of determining the vesting of Performance Shares and/or Performance Share Units (which may include metrics relating to the performance of individual Eligible Participants, the Company, the Group, any company within the Group and/or any division, department and/or unit) as determined, amended or altered by the Company from time to time and notified to Eligible Participants by the Company;

“Performance Period”

means in respect of a Performance Share or Performance Share Unit, the period determined by the Company in respect of any Performance Metrics for the vesting of that Performance Share or Performance Share Unit;

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“Performance Share”	is an Award Share granted which vests subject to the applicable Performance Metrics and in respect of such Performance Period, in respect of each Award of Performance Shares, or any other performance conditions, as determined by the Company from time to time;
“Performance Share Unit”	is a conditional right to receive one Share granted in connection with an Award made under Rule 5.16.1, which vests subject to the applicable Performance Metrics and in respect of such Performance Period, in respect of each Award of Performance Share Units, or any other performance conditions, as determined by the Company from time to time, and shall be subject to the conditions stipulated in Rule 78;
“Related Cash Income”	means all cash income (including cash dividend) distributed by the Company to a Shareholder in relation to a Share held in the Trust or any Award Share;
“Related Expenses”	means any related expenses in respect of acquiring a Share, including, without limitation, brokerage fee, stamp duty, transaction levy, and Stock Exchange trading fee;
“Related Shares”	means any distribution by the Company to a Shareholder in the form of Shares (including but not limited to, bonus issues, scrip dividend but excluding any nil paid rights, bonus warrants and other non-cash and non-scrip distributions) in relation to a Share held in the Trust or any Award Share;
“Residual Cash”	means all cash held in the Trust;
“Residual Share”	subject to the provisions of this Scheme, means an Award Share that is forfeited in accordance with the terms of this Scheme and any other Share that is not an Award Share, that is held in the Trust;
“Restricted Period”	means in respect of a Restricted Share or Restricted Share Unit, the period between the Award Date and the date when all Restricted Share or Restricted Share Unit of that particular Award vests;

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“Restricted Share Unit”	is a conditional right to receive one Share granted in connection with an Award made under Rule 5.1 <u>6.1</u> and shall be subject to the conditions stipulated in Rule 7 <u>8</u> ;
“Restricted Shares”	are Award Shares granted to the relevant Eligible Participant, as determined by the Company;
“Rules”	means the Rules of this Scheme;
“Scheme”	means this Scheme constituted by these Rules in its present form or as amended from time to time in accordance with the provisions hereof;
“Scheme Period”	means the period commencing on the Effective Date and expiring at 5:00 p.m. (Hong Kong time) on the day prior to the tenth Anniversary thereof;
“SFO”	means Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share”	means an ordinary share of the Company;
“Share Recipient”	means a former Eligible Participant, or his personal representative (as applicable), who has received Shares and/or cash as a result of a vested Award;
“Share Unit”	means a Restricted Share Unit and/or a Performance Share Unit;
“Shareholder”	means the holder of a Share;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited or such other stock exchange which is the principal stock exchange (as determined by the Board) on which the Shares are for the time being listed or traded;
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere, and “Subsidiaries” shall be construed accordingly;

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<u>“Substantial Shareholders”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
<u>“Supplementary Guidance”</u>	<u>means the supplementary guidance attached to the letter from the Stock Exchange dated 5th September, 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes;</u>
“Tax Liability”	means any tax and/or pensions and social security contributions of whatsoever nature (including, without limitation, income tax, indirect tax and surtax, stamp and other duties, or any similar taxes or imposts);
“Transfer Conditions”	means the conditions specified in Rule 8-69.7(A), (B) and (C);
“Trust”	means the trust constituted by the Trust Deed;
“Trust Deed”	means the trust deed or trust deeds between the Company and the Trustee in connection with this Scheme as stated by its terms to be the Trust Deed for the purposes of this Scheme (as further restated, supplemented, amended or replaced from time to time);
“Trustee”	means the trustee or trustees for the time being of the Trust as declared in the Trust Deed and notified to Award Holders from time to time; and
“Vested Unit”	has the meaning given to it in Rule 8-59.6 (A).

1.2 In these Rules:

- (A) paragraph headings are for ease of reference only and shall be ignored in construing these Rules or the Scheme;
- (B) references to a Rule shall be a reference to one of these Rules and references to a paragraph or paragraphs are references to paragraph or paragraphs hereof;
- (C) words importing the singular include the plural and vice versa;
- (D) words importing one gender include both genders and the neuter and vice versa;

- (E) references to persons include bodies corporate and unincorporated;
- (F) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, replaced, consolidated and re-enacted and shall include any subordinate legislation made under the relevant statute; and
- (G) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. Conditions

- 2.1 This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders resolving to amend and approve this Scheme at a general meeting of the Company and to authorise the Board to grant Awards under this Scheme and to allot and issue Shares pursuant to any Awards.
- 2.2 The grant of Awards under this Scheme is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued in respect of the Awards to be granted under this Scheme.
- 2.3 Reference in Rule 2.2 to the Stock Exchange granting the approval and permission shall include any such approval and permission which are granted subject to such conditions as the Stock Exchange may impose.
- 2.4 A certificate signed by any Director or the secretary of the Company certifying that the conditions set out in Rules 2.1 and 2.2 have been fulfilled or satisfied and the date on which such conditions were fulfilled or satisfied or that such conditions have not been fulfilled or satisfied as of any particular date and the exact date of the “Approval Date” shall be conclusive evidence of the matters so certified.

3. ~~2.~~Purposes

The purposes of the Scheme are to attract and retain management and key employees, to align Eligible Participants’ interests with the long-term success of the Company, to provide fair and competitive compensation to management and key employees and to drive the achievement of strategic objectives of the Company.

The Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

- 3.1 ~~2.1~~motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group; and
- 3.2 ~~2.2~~attracting and retaining or otherwise maintaining an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

4. ~~3~~:Duration of Scheme

4.1 This Scheme shall commence on the Effective Date and shall continue for the duration of the Scheme Period.

5. ~~4~~:Maximum Awards/Scheme Limits

~~4.1~~ The maximum aggregate number of Awards that may be granted under this Scheme (but excluding those Awards which were granted but subsequently lapsed, forfeited or otherwise determined prior to their vesting) shall not exceed the equivalent of five (5) per cent. of the number of issued Shares of the Company as at the Effective Date (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares):

5.1 The Scheme Mandate Limit (as defined below) shall operate as follows:

(A) The total number of Shares which may be issued upon exercise of all Awards to be granted under this Scheme and any other share award scheme and share option to be granted under any other share options schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of this Scheme by the Shareholders (i.e. Approval Date) (the “Scheme Mandate Limit”), unless Shareholders’ approval has been obtained pursuant to Rules 5.1(B) or 5.1(C). Options or awards lapsed in accordance with the terms of this Scheme or any other share option scheme or any other share award schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

(B) The Scheme Mandate Limit referred to under Rule 5.1(A) may be refreshed after three years from the Approval Date (or from the date of Shareholders’ approval for the last refreshment) subject to prior Shareholders’ approval but in any event, the total number of Shares which may be issued upon exercise of all Awards to be granted under this Scheme and any other share award schemes and share options to be granted under any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. Subject to the Listing Rules, any refreshment within any three year period must be approved by independent Shareholders, where any Controlling Shareholder and their Associates (or if there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective Associates) must abstain from voting in favour of such resolution in such general meeting, and the Company must comply with the relevant requirements under the Listing Rules.

(C) Notwithstanding the foregoing, the Company may grant Awards beyond the Scheme Mandate Limit to Eligible Participants if (a) separate Shareholders' approval has been obtained for granting Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company before such Shareholders' approval is sought; (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular; and (c) the number and terms of Awards to be granted to such Eligible Participant(s) must be fixed before Shareholders' approval.

5.2 4.2 The maximum aggregate number of Awards that No Award may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all options or vested and to be vested under all share award schemes (including Awards under this Scheme to a single) already granted or to be granted to such Eligible Participant (excluding any options and/or awards lapsed in accordance with the terms of this Scheme or other share award schemes) in the 12-month period up to each Award Date shall not exceed the equivalent of zero point two (0.2) per cent. of the number of issued Shares of the Company on the relevant Award Date and including the date of such new grant exceeding in aggregate over 1% of the Shares in issue as at the date of such new grant unless:

(A) such grant is separately approved by the Shareholders at a general meeting, with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a Connected Person) abstaining from voting;

(B) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time required by the Listing Rules; and

(C) the number and terms of the Awards to be granted to such proposed Award Holder shall be fixed before the approval of the Shareholders as mentioned in Rule 5.2(A).

5.3 The maximum number of Shares referred to in Rule 5 shall be adjusted, in such manner as the Auditors or an independent financial adviser appointed by the Company shall certify as fair and reasonable in accordance with Rule 14.

6. 5-Offer, Acceptance and Grant of Awards

6.1 5.1 On and subject to these Rules, from time to time during the Scheme Period, the Company may, at its absolute discretion, offer to grant (or, as the case may be, decide not to offer to grant) to any Eligible Participant any Award/Awards subject to such conditions as it may specify in such Awards.

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- 6.2 ~~5.2~~-Such offers shall be made to the Eligible Participants in writing in such form as the Company may determine specifying:
- (A) whether the Award comprises Restricted Shares, Restricted Share Units, Performance Shares or Performance Share Units;
 - (B) in the case of Restricted Shares or Performance Shares the number of Award Shares and in the case of Restricted Share Units or Performance Share Units the number of Share Units, that are subject to the Award;
 - (C) the date by which the offer of the Award must be accepted (being a date no more than 28 Business Days (inclusive) from date on which the offer is made) and the manner and form in which the Eligible Participant must accept the offer;
 - (D) the Award Date;
 - (E) the vesting schedule in respect such Award and any conditions and/or Performance Metrics in respect of the vesting of the Award;
 - (F) if an Award is in respect of Performance Shares or Performance Share Units, the relevant Performance Period;
 - (G) that the Award is subject to the claw-back provisions of Rule ~~11~~12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*); and
 - (H) any other terms and conditions the Company may specify.

The Award shall also state that the relevant Award Holder agrees to be bound by the provisions and terms of this Scheme and the Award.

6.3 ~~5.3~~-Acceptance by recipient of an offer referred to in Rule ~~5.26.2~~ above of an Award must be made in accordance with the manner and form specified in the offer referred to in Rule ~~5.26.2~~ above and shall only be effective upon actual receipt by the Company within the period of 28 Business Days (inclusive) from the date on which it is made. An Award that is not accepted within such period and in accordance with the manner and form specified in the offer referred to in Rule ~~5.26.2~~ shall lapse and determine upon expiry of that period.

6.4 ~~5.4~~An Eligible Participant shall, before accepting of an offer referred to in Rule ~~5.26.2~~ above of an Award, obtain all necessary governmental or official consent or any other consents that may be required to enable him to accept the offer of an Award and the Company and/or the Trustee to transfer to him in accordance with the provisions of this Scheme the Shares falling to be transferred upon the vesting of his Award. By accepting an offer of an Award, the Eligible Participant thereof is deemed to have represented to the Company and the Trustee that he has obtained all such consents. Compliance with this Rule ~~5.26.4~~ shall be a condition precedent to an acceptance of an offer of an Award.

- 6.5 ~~5.5~~The Company shall not be responsible for any failure by an Eligible Participant to obtain any such consent referred to in Rule ~~5.4~~6.4 above or for any Tax Liability or any other liability to which an Eligible Participant may become subject as a result of his participation in this Scheme. An Eligible Participant shall, on demand, indemnify the Company and/or the Trustee fully against all claims and demands which may be made against the Company and/or the Trustee (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Eligible Participant to obtain any necessary consent referred to hereinabove or to pay any Tax Liability or any other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company and/or the Trustee. The Company and/or the Trustee may withhold an amount equal to such claims and demands which may be made against the Company and/or the Trustee (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Eligible Participant to obtain any necessary consent referred to hereinabove or Tax Liability or any other liabilities referred to hereinabove (or Company and/or the Trustee's reasonable estimate of the amount for such claims, demands, Tax Liability or any other liabilities) from any amounts due to the Eligible Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such amounts (or reasonable estimate thereof).
- 6.6 ~~5.6~~The Company shall notify the Trustee as soon as reasonably practicable after the receipt by the Company of an acceptance of an Award received in accordance with Rule ~~5.3~~6.3 above (including the details of such Award).
- 6.7 ~~5.7~~Any offer to grant an Award may not be accepted in respect of fewer Shares or Share Units than those stated in the relevant offer. For the avoidance of doubt, acceptance by a recipient of an offer of an Award for a number of Shares or Share Units different to that included in the relevant offer shall cause the Award to lapse and determine upon expiry of the period by which the offer of the Award must be accepted (unless rectified by the recipient in writing and upon actual receipt of such rectification by the Company prior to the expiry of such period).
- 6.8 ~~5.8~~An Award shall be personal to the Award Holder and shall not be assignable or transferrable. No Award Holder shall in any way sell, transfer, assign, charge, mortgage, encumber or otherwise create any interest in favour of any third party over or in relation to any Award or the relevant Award Shares. If the Award Holder attempts to do any of the foregoing, the Award shall lapse and all unvested Award Shares or Share Units in respect of that Award shall be forfeited (and the relevant Award Holder shall have no further rights to such unvested Award Shares or Share Units) on such sale, or transfer, or upon the creation of such charge, mortgage, encumbrance or interest.
- 6.9 Any grant of Awards to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective Associates, under this Scheme must be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Awards).

6.10 Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective Associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant must be approved by Shareholders at a general meeting in the manner set out in the Listing Rules. The Award Holder, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Listing Rules, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Awards) on whether or not to vote in favour of the proposed grant.

6.11 Where any grant of Awards to a Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all options and/or awards already granted (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant must be subject to the approval by Shareholders at a general meeting in the manner set out in the Listing Rules. The Award Holder, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Listing Rules, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Awards) on whether or not to vote in favour of the proposed grant.

6.12 The requirements for the grant of Awards to a Director or chief executive of the Company set out in Rules 6.9, 6.10 and 6.11 shall not apply where the Eligible Participant is only a proposed director or chief executive of the Company.

7. ~~6-~~Funding of Awards

7.1 ~~6.1~~ Subject to Rule ~~6.27.2~~, the Company may, in accordance with the Trust Deed:

- (A) instruct the Trustee to acquire such number of Shares on the Stock Exchange at the prevailing market price on the Acquisition Date and fund such acquisition by the Trustee; and/or
- (B) subject to any applicable requirement of law or regulation (including the Listing Rules), allot and issue such number of Shares to the Trustee,

for the satisfaction of any outstanding Award.

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7.2 ~~6.2~~ No allotment and issuance of Shares and payment shall be made to the Trustee pursuant to Rule ~~6.1~~7.1, no instruction to acquire any Shares shall be given by the Company to the Trustee under this Scheme and no grant of an Award shall be offered by the Company where:

- (A) any director is in possession of any inside information (as defined in Part XIVA of the SFO) in relation to the Company; or
- (B) where dealings in Shares by directors are prohibited under any applicable law or regulation (including the Listing Rules).

7.3 ~~6.3~~ Subject to Rule ~~6.2~~7.2, the Company may instruct the Trustee to apply:

- (A) any Residual Share as an Award Share or as a Share to be delivered for each Vested Unit; and
- (B) any Residual Cash to the fees, costs and expenses (including Related Expenses) in respect of the operation and maintenance of the Trust.

8. ~~7.~~ Conditions for Share Units

8.1 ~~7.1~~ Share Units, which for the avoidance of doubt includes both Restricted Share Units and Performance Share Units, shall be subject to the following conditions:

- (A) the terms and conditions applicable to Share Units which are stated in the offers referred to in Rules ~~5.1~~6.1 and ~~5.2~~6.2; and
- (B) no Shares shall be issued at the time a Share Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award. For the avoidance of doubt, an Eligible Participant who holds Share Unit(s) shall have no beneficial interests in any Share and shall not be entitled to have any rights and privileges of a Shareholder, including voting rights ~~or~~ rights in respect of dividends (or their equivalent), transfer or any other rights (including those arising on the liquidation of the Company), with respect to the Share(s) associated with the relevant Share Unit(s).

9. ~~8.~~ Vesting of Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units

9.1 ~~8.1~~ Restricted Shares and Restricted Share Units: ~~Unless~~ Subject to Rule 9.3, unless otherwise determined by the Company, Restricted Shares and Restricted Share Units that the Company offers to grant to an Eligible Participant pursuant to Rules ~~5.1~~6.1 and ~~5.2~~6.2 shall vest in accordance with the schedule stated in the relevant offers referred to in Rule ~~5.2~~6.2.

9.2 8.2 Performance Shares and Performance Share Units:

- (1) ~~Unless~~Subject to Rule 9.3, unless otherwise determined by the Company, Performance Shares and Performance Share Units shall vest on the date(s) stated in the relevant offer(s) referred to in Rule ~~5.26.2~~, subject to any other condition(s) set out in the relevant offer (including, without limitation, any relevant Performance Metrics for the relevant Performance Period), and subject to Rules ~~8.2(29.2(2))~~ and (3) below.
- (2) For avoidance of doubt, Shares for vested Performance Shares and Performance Share Units shall only be transferred to the Award Holder, or his personal representative, upon the Company certifying that the relevant Performance Metrics for the relevant Performance Period have been achieved or satisfied and all other condition(s) have been achieved or satisfied.
- (3) Notwithstanding Rule ~~8.39.4~~, any Award Holder who ceases to be an Eligible Participant (including becoming a Leaver) after his Performance Shares and/or Performance Share Units have vested in accordance with Rule ~~8.2(19.2(1))~~ but before the relevant Shares are transferred to him, the Award Holder, or his personal representative, will be entitled to receive transfer of those related vested Shares and such cessation shall not affect that Award Holder's interest in respect of those Performance Shares and/or Performance Share Units.

9.3 Vesting Period

The minimum period for which an Award must be held before vesting under the terms of this Scheme shall not be less than 12 months (or such other period as may be prescribed by the Listing Rules from time to time). To the extent permitted by and in accordance with the procedures set out in the Listing Rules (where applicable), the Board and/or the Company may, at its absolute discretion, determine that a shorter vesting period shall apply than the prescribed minimum period. Subject to the foregoing, a shorter vesting period than the prescribed minimum period may, at the Board and/or the Company's absolute discretion, apply in the following circumstances:

- (A) grants to Eligible Participants for the purpose of compensating him for any loss of share options or awards or any other form of compensation due to leaving his previous employer(s);
- (B) grants to Eligible Participants whose employment is terminated due to death or Disability or occurrence of any out of control event;
- (C) grants with performance-based vesting conditions provided in this Scheme, in lieu of time-based vesting criteria;
- (D) grants that are made in batches during a year for administrative and compliance reasons;

(E) grants with a mixed or accelerated vesting schedule, such as where the Award may vest evenly over the prescribed minimum period;

(F) grants with a total vesting and holding period of more than the prescribed minimum period; and

(G) where Rule 13 is applicable.

9.4 8.3 Ceasing to be an Eligible Participant:

Subject to:

(1) any other terms and conditions specified in the relevant offer referred to in Rule ~~5.26.2~~;

and

(2) any determination by the Company,

in respect of any Award granted to an Award Holder who ceases to be an Eligible Participant and is:

- (i) a Leaver who ceases to be an Eligible Participant under reason (i) (*death or Disability*);
- (ii) a Leaver who ceases to be an Eligible Participant under reason (ii) (*retirement in accordance with his contract of employment or at the relevant retirement age*);
- (iii) a Leaver who ceases to be an Eligible Participant under reason (iii) (*termination of employment on the grounds of breach of contract or employment terms or duties or misconduct*);
- (iv) a Leaver who ceases to be an Eligible Participant under reason (iv) (*resignation or termination of employment on account of performance issues*);
- (v) a Leaver who ceases to be an Eligible Participant under reason (v) (*voluntary resignation by the Award Holder*), reason (vi) (*not accepting a contract renewal offer*), reason (vii) (*redundancy or non-renewal of employment contract*), reason (viii) (*other termination initiated by the Company*) or reason (ix) (*leaving under other circumstances*),

all unvested Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units on the date he ceases to be an Eligible Participant shall lapse and be forfeited and the Award Holder or his personal representative (as applicable) shall have no further rights whatsoever to such unvested Restricted Shares, Performance Shares, Restricted Share Units or Performance Share Units and the last working day of a Leaver is the date of cessation of employment whether salary is paid in lieu of notice or not (except in the case of a Leaver who ceases to be an Eligible Participant under reason (v) (*voluntary resignation by the Award Holder*) the date he ceases to be an Eligible Participant shall be the date he tenders his notice of resignation), and provided always that the Company in its absolute discretion may decide that such Awards shall not so lapse or be forfeited subject to such conditions or limitations as it may decide.

Without prejudice to any other Rule of this Scheme:

- (a) a Claw-back (in accordance with Rule ~~11~~12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) shall apply in respect of any Award granted and/or vested within, at minimum, 24 months from the date of cessation to a Leaver who ceases to be an Eligible Participant under reason (iii) (*termination of employment on the grounds of breach of contract or employment terms or duties or misconduct*); and
- (b) the Company may impose a Claw-back (in accordance with Rule ~~11~~12 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) on a Leaver who ceases to be an Eligible Participant under reason (iv) (*resignation or termination of employment on account of performance issues*).

9.5 ~~8.4~~Rounding and forfeiture:

- (A) for Award Shares: To the extent that the number of Award Shares to be vested under the terms of this Scheme (the “original number of Shares”) would not be equal to an integral number of Shares, such number of Award Shares to be vested shall be rounded down (in all cases) to the nearest integral number of Shares. Any unvested portion of the original number of Shares shall be forfeited and shall be deemed to be Residual Shares and the Award Holder (or his personal representative) shall have no further rights to such Residual Shares; and
- (B) for Share Units: To the extent that the number of Share Units to be vested under the terms of this Scheme (the “original number of Share Units”) would not be equal to an integral number of Vested Units, such number of Share Units to be vested shall be rounded down (in all cases) to the nearest integral number of Vested Units. Any unvested portion of the original number of Share Units shall lapse and be forfeited and the Award Holder (or his personal representative) shall have no further rights to such unvested Share Units.

9.6 ~~8.5~~Transfer of vested Shares: Upon vesting of Restricted Shares, Performance Shares, Restricted Share Units and/or Performance Share Units:

- (A) subject to Rule ~~8.2~~(~~29.2~~2) and Rule ~~8.5~~9.6(B), the Company shall arrange for the Trustee to deliver to the Award Holder, or his personal representative, one Share for each vested Restricted Share, vested Performance Share or outstanding Share Unit (“Vested Unit”);
- (B) provided that, if explicitly provided in the terms of the Award, the Company may, in its sole discretion, elect to pay cash or part cash and part Shares in lieu of delivering only Shares for Vested Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the vesting date with respect to such Vested Units; and

- (C) the delivery of Shares and/or cash should normally be as soon as reasonably practicable, provided that the Company may, in its sole discretion, elect to delay the delivery of Shares and/or cash by written notice to the Award Holder.

9.7 ~~8.6~~ Conditions for transfer of Shares: Vested Award Shares (from the vesting of Restricted Shares and Performance Shares) and Shares/or cash to be delivered for each Vested Unit (for Vested Units) shall only be transferred to the Award Holder pursuant to this Scheme if:

- (A) the Company considers that the transfer thereof would be lawful in the relevant jurisdiction(s) and expedient on account of either the restrictions under the laws of the relevant jurisdiction(s) or the requirements of the relevant regulatory bodies or stock exchange(s) in such jurisdiction(s);
- (B) in a case where (in any jurisdiction) the Company or its Subsidiaries or the Trustee is obliged (or would suffer a disadvantage if it were not to) to account for any Tax Liability for which that Award Holder is liable by virtue of the transfer of Shares and/or payment of cash, the Company or its Subsidiaries or the Trustee has received on or prior to the transfer of Shares and/or payment of cash payment from the Award Holder of an amount not less than the Tax Liability, or that Award Holder has entered into arrangements acceptable to the Company or its Subsidiaries or the Trustee to secure that such a payment is made (whether by authorising the sale of some or all of the Shares on his behalf and the payment to the Company or its Subsidiaries or the Trustee of an amount equal to the Tax Liability out of the proceeds of sales or otherwise); and
- (C) the Award Holder has entered into such arrangements as the Company or its Subsidiaries or the Trustee requires (and where permitted in the relevant jurisdiction) to satisfy any liability to social security or any government mandatory fund contributions in respect of the transfer of Shares and/or payment of cash or for any other reason determined by the Company to be necessary and/or expedient in connection with the transfer of Shares.

9.8 ~~8.7~~ No Compensation: A person ceasing to be an Eligible Participant for any reason shall not in any event be entitled to any compensation for or in respect of any resulting reduction or extinction of his rights or benefits (actual or prospective) under any Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units then held by him or otherwise in connection with this Scheme.

9.9 ~~8.8~~ Voting rights/dividends/other rights: For the avoidance of doubt, an Award Holder shall only be entitled to exercise the voting, transfer or any other rights (including those arising on the liquidation of the Company) in respect of a vested Award Share or a Share to be delivered for each Vested Unit, and to receive directly any dividend in respect of a vested Award Share or a Share to be delivered for each Vested Unit, after such vested Award Share or Share to be delivered for each Vested Unit has been transferred to that Award Holder in accordance with Rule ~~8.59.6~~.

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9.10 ~~8.9~~ **Tax Liability:** All Tax Liability in relation to the granting, vesting or otherwise in relation to any Restricted Shares and Performance Shares and in relation to the delivery of Shares for each Vested Unit and/or any cash payment made in lieu of delivering Shares for Vested Units shall be borne by the relevant Award Holder or his personal representative (as applicable).

9.11 ~~8.10~~ **Personal Representative(s):** If any Award Holder has Award(s) which are vested, but unsettled in accordance with Rule ~~8.19.1~~ and/or Rule ~~8.29.2~~, at the time of his/her death, the Trustee shall hold such vested Award(s) for the personal representative(s) of the deceased Award Holder, and settle such Award(s) with the personal representative(s) in accordance with Rule ~~8.19.1~~ and/or Rule ~~8.29.2~~ (collectively, the “Benefits”) within two years of the death of the Award Holder (or such longer period as the Trustee and the Company shall agree from time to time), or if the Benefits have not been transferred to the personal representative(s) of such Award Holder within the aforesaid period or the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited and cease to be transferable to the personal representative(s) of the Award Holder and shall be held in the Trust as Residual Cash and/or Residual Shares.

10. ~~9:~~ Related Income, voting and other matters relating to Restricted Shares and Performance Shares

10.1 ~~9.1~~ Related Cash Income and Related Shares shall be treated in the following manner:

- (A) all Related Cash Income and Related Shares in respect of all vested or unvested Restricted Share or Performance Share shall be held in the Trust as Residual Cash or Residual Shares (and the relevant Award Holder shall have no entitlement or interest in such accrued Related Cash Income or Related Shares); and
- (B) any interest or dividends accrued in respect of any Related Cash Income or Related Shares shall be held in the Trust as Residual Cash or Residual Shares.

10.2 ~~9.2~~ No Award Holder shall have any entitlement or interest in or be entitled to receive any Related Cash Income, Related Shares and Other Related Income in respect of any vested or unvested Restricted Shares and Performance Shares.

10.3 ~~9.3~~ All Other Related Income in respect of any vested or unvested Award Shares shall be held by the Trustee pending conversion into cash. The Trustee shall, to the extent practicable, sell such Other Related Income and the net proceeds thereof shall be held in the Trust as Residual Cash.

10.4 ~~9.4~~If a scrip dividend scheme is implemented by the Company, the Trustee shall act in the following manner:

- (A) not elect to receive scrip Shares in respect of any Restricted Shares or Performance Shares; and
- (B) to the extent practicable, always elect to receive scrip Shares in respect of Residual Shares held in the Trust and such scrip Shares shall also be held in the Trust as Residual Shares.

10.5 ~~9.5~~The Trustee shall not exercise any voting rights in respect of any Share held ~~(including Shares in respect of unvested Award Shares and unvested Share Units) held, whether directly or indirectly, in the Trust at any general meeting or in respect of any shareholders' resolutions of the Company; and shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.~~

10.6 ~~9.6~~No Award Holder or his personal representative (as applicable) shall be entitled to instruct the Trustee to do anything or omit to do anything that could be inconsistent with this Rule ~~9~~10.

11. ~~10.~~Lapse of Award following determination by the Company

11.1 ~~10.1~~Irrespective of any other Rule of this Scheme, every Award granted under this Scheme shall be subject to the additional condition that, if the Company determines that any Award shall lapse and determine, then:

- (A) it shall so lapse and determine on such terms and conditions as the Company may determine (in the Company's absolute discretion) but only to the extent that the Award has not vested;
- (B) the Company shall forthwith:
 - (i) notify the relevant Award Holder of such fact; and
 - (ii) instruct the Trustee that the Award Shares in respect of the relevant Award have lapsed and determined and any unvested Award Shares in respect of that Award shall be treated as Residual Shares and the Trustee shall treat such unvested Award Shares no longer as for the benefit of the relevant Award Holder but as Residual Shares; and
- (C) the relevant Award Holder for which his Award has so lapsed or determined shall not in any event be entitled to any compensation for or in respect of any resulting reduction or extinction of his rights or benefits (actual or prospective) under any Award then held by him or otherwise in connection with this Scheme.

12. ~~11.~~Claw-back

12.1 ~~11.1~~ Without prejudice to Rule ~~11.2~~12.2, the Company may at any time after the Award Date of an Award determine that a Claw-back shall apply in respect of the Award, if the Company determines that:

- (A) there has been a material misrepresentation, misstatement, erroneous calculation, error or discrepancy in relation to the performance of any Group company, relevant business unit and/or the Award Holder or Share Recipient on the basis of which the Award was determined (which may include, but shall not be limited to a material: (i) misstatement of the financial results and/or financial position of any Group company; (ii) erroneous calculation in relation to the results or other performance benchmark of any Group company; (iii) error in the financial statements of any Group company; or (iv) discrepancy in the financial accounts of any Group company, and, for the avoidance of doubt, in each case, notwithstanding that such misrepresentation may not arise from fraud or reckless behaviour); or
- (B) an erroneous calculation was made in assessing the extent to which the Award was granted or is to be capable of vesting, or vested,

and, in either case, the Award was granted or is capable of vesting, or being vested, in respect of a greater number of Award Shares or Share Units than would have been the case had any of the matters specified in Rule ~~11.1~~12.1(A) and/or Rule ~~11.1~~12.1(B) not arisen.

12.2 ~~11.2~~ Without prejudice to Rule ~~11.1~~12.1, the Company may at any time (whether before or after vesting) determine that a Claw-back shall apply in respect of an Award if the Company determines that the Award Holder or Share Recipient has committed, including prior to grant, or after the vesting of the Award:

- (A) an act or omission which justifies, or in the determination of the Company would have justified, summary dismissal or service by any Group company of notice of termination of office or employment on the grounds of misconduct;
- (B) an act which breaches, or in the determination of the Company breaches, any non-compete, confidentiality and/or non-solicitation restrictive covenants pursuant to any agreement or arrangement between the Award Holder or Share Recipient and any Group company; or
- (C) failing to pay or to indemnify any Group company for any claims and demands which may be made against any Group company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Award Holder or Share Recipient to pay any tax obligation (including any Tax Liability) and against all incidental costs and expenses which may be incurred or spent by any Group company as a result.

12.3 ~~11.3~~A Claw-back shall be applied in accordance with the provisions of Appendix 1 (*Operation of Claw-back*).

12.4 ~~11.4~~By participating in this Scheme, the Award Holder and Share Recipient acknowledges and agrees that the Company may lapse any Award to such extent as it determines to be necessary (including in full) in order to give effect to the Claw-back or to a claw-back under the terms of any other employees' share scheme or bonus scheme operated from time to time by any Group company.

13. ~~12.~~Takeover Offers, Liquidation Voluntary Winding Up and Reconstruction

13.1 ~~12.1~~If:

- (A) a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in a like manner) is made to all the 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); or
- (B) a notice of a general meeting of the Company is duly given to consider a proposed resolution to wind-up the Company voluntarily; or
- (C) a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Award Holders as soon as reasonably practicable after the date it dispatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement,

then:

- (1) the Company shall give due notice to each Award Holder of the occurrence of the relevant event in (A), (B) or (C) above;
- (2) all unvested Restricted Shares, Performance Shares, Restricted Share Units and Performance Share Units shall vest in accordance with the determination of the Company provided that there shall not be any material adverse change (from the perspective of the relevant Award Holder) in respect of the unvested Award Shares and unvested Share Units that are applicable immediately prior to the occurrence of any of the events set out in (A) to (C) (inclusive) above; and
- (3) the Company shall instruct the Trustee to deal in or to hold the Residual Shares in accordance with the determination of the Company.

14. ~~13.~~ Bonus Capitalisation issues, bonus warrants, rights issue, consolidation and sub-division, reduction of capital

~~13.1~~ In the event the Company issues bonus warrants in respect of any Shares held in the Trust (whether Award Shares or Residual Shares), the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it, the net proceeds of sale of such bonus warrants shall be held as Residual Cash.

~~13.2~~ In the event of a rights issue by the Company, the Trustee shall sell such amount of nil-paid rights allotted to it to the extent that the net income from such sale could be applied by the Trustee to subscribe for Shares pursuant to the remaining nil-paid rights held by the Trustee under such rights issue. Any Shares so subscribed by the Trustee under such rights issue shall be treated as Residual Shares and any remaining proceeds from the sale of the nil-paid rights shall be held as Residual Cash.

~~13.3~~ In the event of a consolidation or sub-division of the Shares in the Company, all fractional Share arising out of such sub-division or consolidation in respect of any Award Shares or Residual Shares shall be deemed to be Residual Shares.

14.1 In the event of any alteration in the capital structure of the Company whilst any Award remains outstanding or this Scheme remains in effect, arising from any capitalisation issue, rights issue or open offer to the Shareholders which has a price-dilutive effect, consolidation or sub-division of Shares or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, then, in any such case the number of Shares to which this Scheme or any Awards(s) relates (insofar as it is/they are outstanding) and/or the relevant maximum limits determined under Rule 5 may be adjusted in such manner as the Board may deem appropriate provided always that:

(A) any such adjustment shall be made to give an Award Holder the same proportion of the share capital of the Company (rounded to the nearest whole Share) as that to which that Award Holder was previously entitled (as interpreted in accordance with the Supplementary Guidance); and

(B) any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

14.2 If any adjustments occur pursuant to Rule 14.1 above (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the Auditors or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed complies with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

14.3 If there has been any alteration in the capital structure of the Company as referred to in Rule 14.1, the Company shall, upon vesting of an Award in accordance with Rule 9.6, inform the Award Holder of such alteration and shall either inform the Award Holder of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Award Holder of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with Rule 14.2.

14.4 In giving any certificate under this Rule 14, the Auditors or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

15. Cancellation of Awards Granted

15.1 The Board in its sole discretion may cancel an Award Share granted but which remains unvested with the approval of the Award Holder of such Award Share in certain circumstances, including where it is necessary to comply with the Listing Rules, or proposed or existing legislation, law or other regulatory requirements in which the Award Holder and the Company are subject to.

15.2 Award Shares may be granted to an Eligible Participant in place of his cancelled Award Shares provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Award Shares cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

16. ~~14.~~ Amendment of this Scheme

~~14.1~~ Subject to Rule 14.2 below, the Board may from time to time determine to waive or amend such of the Rules as it deems desirable, subject to any applicable requirement of law or regulation and the Board may determine to waive or amend any additional requirements and/or terms and conditions imposed by the Company from time to time:

~~14.2~~ No amendment to, or waiver in respect of, this Scheme which would abrogate or alter adversely any of the subsisting rights of Award Holders shall be made except with such consent on their part as would be required under the provisions of the Articles of Association of the Company as if the Awards constituted a separate class of share capital and as if such provisions applied mutatis mutandis thereto:

16.1 This Scheme may be altered in any respect by a resolution of the Board (without the approval of Shareholders) except that any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions of this Scheme relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of any Award Holders or prospective Award Holders must be approved by a resolution of Shareholders in a general meeting.

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- 16.2 Any change to the terms of the Awards granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders in a general meeting (as the case may be) if the initial grant of the Awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.
- 16.3 The amended terms of this Scheme and all Awards shall continue to comply with the relevant requirements of the Listing Rules.
- 16.4 ~~14.3~~ For avoidance of doubt and without prejudice to Rule ~~14.1~~16.1, the Board shall be entitled to amend the terms of this Scheme so as to comply with the Listing Rules or any future guidance or interpretation of the Listing Rules or any proposed or existing legislation, law or other regulatory requirements from time to time applicable to this Scheme, provided that such amendments are allowed by the Listing Rules or proposed or existing legislation, law or other regulatory requirements.
- 16.5 Any change to the authority of the Board in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in a general meeting.
- 16.6 Where a change is proposed to the terms of any Awards granted to an Eligible Participant who is a Substantial Shareholder or an independent non-executive Director of the Company or any of their respective Associates, then the proposed change must be subject to the approval by Shareholders at a general meeting taken on a poll. The relevant Award Holder, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the holder of the Awards whose terms are to be changed) on whether or not to vote in favour of the proposed change.

17. ~~15.~~ **Termination**

- 17.1 ~~15.1~~ This Scheme shall terminate automatically upon expiry of the Scheme Period, unless terminated earlier by the Board at any time. On termination of this Scheme, no further Awards may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the Awards granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 17.2 ~~15.2~~ Unless otherwise stated in this Scheme, Awards granted before termination of this Scheme shall continue to be valid and shall vest in accordance with these Rules.

17.3 ~~15.3~~ The Trust may be terminated by notice in writing from the Company to the Trustee provided that the Trust shall not be terminated before the later of:

- (A) the expiry of the Scheme Period; and
- (B) the date on which all Awards have vested, lapsed or been forfeited and the Trustee has settled all outstanding vested Awards with the Award Holders (or their personal representative(s)) pursuant to these Rules and the Trust Deed.

Such termination shall be in accordance with the terms of the Trust Deed and the Company will ensure that the Trust Deed provides that all Shares (if any) held by the Trustee under the Trust shall be sold by the Trustee on the Stock Exchange and the net proceeds from such sale shall be held by the Trust as Residual Cash. All Residual Cash in the Trust shall be remitted to the Company as soon as practicable in accordance with the terms of the Trust Deed. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company and the Company may not hold any Shares.

18. ~~16.~~ Companies Ordinance

18.1 ~~16.1~~ This Scheme is an “employee share scheme” for the purposes of section 280 of the Companies Ordinance.

18.2 ~~16.2~~ Irrespective of any other provision in this Scheme, to the extent that any action by the Company pursuant to this Scheme could be construed as financial assistance, such financial assistance shall only be given in accordance with section 280(1) of the Companies Ordinance. Without limiting the foregoing sentence, the Company may only give such financial assistance if:

- (A) the Company has net assets that are not reduced by the giving of the financial assistance; or
- (B) to the extent that those assets are reduced, the assistance is provided by a payment out of distributable profits.

18.3 ~~16.3~~ For the purposes of this Rule ~~16.18~~, “financial assistance”, “net assets” and “distributable profits” shall have the meanings given to them in the Companies Ordinance.

19. ~~17.~~Miscellaneous

19.1 ~~17.1~~Notices and Communications

- (A) Any notice or other communication between the Company and an Eligible Participant or an Award Holder or a Share Recipient must be given to the recipient in writing (i) electronically; or (ii) by sending the same by personal delivery; or (iii) by post (postage prepaid and by airmail if sent to an address in a different territory) at his correspondence address according to the records of the Company or the Trustee (or such address as notified by the Eligible Participant or Award Holder or Share Recipient from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Subsidiaries).
- (B) Any notice or other communication posted by the Company or the Trustee will be deemed to have been given:
 - (i) if sent electronically, immediately unless the sender received a failure of receipt notification;
 - (ii) if delivered by hand, when delivered; or
 - (iii) if delivered by post, 1 day after being put in the post.
- (C) Any notice or other communication if sent by an Eligible Participant or an Award Holder or Share Recipient shall be irrevocable and shall not be effective until actually received by the Company.

19.2 ~~17.2~~Information to Award Holders

Award Holders shall be entitled to receive electronic communication of all notices and documents sent by the Company to its Shareholders generally.

19.3 ~~17.3~~Disputes

~~The decision of the Company in any dispute relating to an Award or matter relating to this Scheme shall be conclusive and binding.~~

Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Award or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Award Holder. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Award Holder.

19.4 ~~17.4~~ Administration of this Scheme

- (A) Any decision or determination by the Company shall be made by the Company acting by the Board or, where the Board has delegated the power to make the relevant decision, by the relevant person(s) to which or whom such power is delegated.
- (B) Any decision or determination by or to the satisfaction of the Company shall mean a decision or determination or to the satisfaction, in each case, in the sole and absolute discretion of the Company (acting by the Board person(s), as the case may be).
- (C) The Company shall have power from time to time to interpret and construe the provisions of this Scheme and to make or vary regulations for the administration and operation of this Scheme so long as they are not inconsistent with these Rules, the Listing Rules and other applicable laws and regulations.
- (D) The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Trustee, the auditors or the financial adviser to the Company in relation to the preparation of any certificate by them or providing any other services in relation to this Scheme.
- (E) In relation to the administration of the Scheme, no member of the Board or employee of the Company shall be personally liable by reason of any contract or other instrument executed by such person(s) or on his behalf in his capacity as a member of the Board or employee of the Company nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each person to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out or omission to act in connection with this Scheme unless arising out of such person's own gross negligence, fraud or bad faith.
- (F) In respect of the administration of this Scheme, the Company shall comply with all applicable disclosure requirements, including those imposed by the Companies Ordinance, the Listing Rules and the SFO from time to time.

19.5 ~~17.5~~ No Offer of Employment or Additional Rights

- (A) This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason. The offer or grant of an Award under this Scheme is by no means an offer of employment or continued employment to the Eligible Participant concerned.

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- (B) This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company or the Subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Subsidiaries.

19.6 ~~17.6~~ Disclosure

The Company shall disclose details of this Scheme as and when required by the relevant requirements of the Listing Rules.

19.7 ~~17.7~~ Governing Law

This Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

Appendix 1

Operation of Claw-back

Claw-back prior to the transfer of Shares in respect of an Award (or “malus”)

1. Where the Company determines (pursuant to Rules ~~11.1~~12.1 or ~~11.2~~12.2) that a Claw-back shall apply in respect of an Award prior to delivery of the Shares to the Award Holder or Share Recipient pursuant to the Award (whether before or after vesting), the Claw-back shall be applied by the Company:
 - (A) prior to the relevant vesting, by reducing the number of Shares in respect of which the Award may vest (which may be all or some of such Shares); or
 - (B) after the relevant vesting, by reducing the number of Shares which may be delivered pursuant to the Award,

in each case by such number of Shares as is determined by the Company (and the Award shall lapse to the extent so reduced, which may be in full).

Claw-back following the delivery of Shares in respect of an Award

2. Where the Company determines (pursuant to Rules ~~11.1~~12.1 or ~~11.2~~12.2) that a Claw-back shall apply in respect of an Award following delivery of the Shares to the Award Holder or Share Recipient pursuant to the Award (a “Post-Transfer Claw-back”), the Company shall determine:
 - a) the number of Shares which vested and which should be the subject of the Claw-back (the “Excess Shares”); and
 - b) the aggregate Fair Market Value of such Excess Shares (as determined by the Company) on the date on which the Award vested (the “Equivalent Value”).
3. In the case of a Post-Transfer Claw-back, any cash payment made or additional Shares transferred in respect of an Award shall be subject to the Claw-back to the extent that the Company determines that such cash payment or Shares relate to the Excess Shares.
4. A Post-Transfer Claw-back may be effected in such manner as may be determined by the Company, and notified to the Award Holder or Share Recipient, including by any one or more of the following:
 - a) by reducing the number of Shares and/or amount of cash in respect of which any Outstanding Award (as defined below) vests or may vest (or has vested, but in respect of which no Shares have yet been delivered or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award, by the number of Excess Shares and/or the Equivalent Value (and such Outstanding Award shall lapse to the extent so reduced);

APPENDIX II PROPOSED AMENDMENTS TO THE SHARE AWARD SCHEME

- b) by setting-off against any amounts payable by any Group company to the Award Holder or Share Recipient an amount up to the Equivalent Value (including from any bonus payment which may otherwise become payable to the Award Holder or Share Recipient), to the extent permitted by law; and/or
 - c) by requiring the Award Holder or Share Recipient to immediately transfer to the Company a cash amount equal to the Equivalent Value (which shall be an immediately payable debt due to the Company), provided that the Company may, at its absolute discretion, reduce the amount of the Equivalent Value subject to the Claw-back in order to take account of any Tax Liability which arose on the Excess Shares (howsoever delivered to the Award Holder or Share Recipient).
5. For the avoidance of doubt, nothing in Rule ~~11~~12 (*Claw-back*) or this Appendix shall in any way restrict an Award Holder or a Share Recipient from being able to transfer or otherwise deal in Shares acquired on vesting of an Award.
6. In paragraph 4 above:
- “Outstanding Award” means any other Award under this Scheme, any award or option under any other employees’ share scheme operated from time to time by any Group company or any bonus award under any bonus scheme operated from time to time by any Group company, in each case which is either held by the Award Holder or Share Recipient at the time of a determination that a Claw-back shall be applied or which are granted to the Participant following such a determination.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

The following are the proposed amendments to the Share Option Scheme. Unless otherwise specified, clauses referred to below are clauses of the amended Share Option Scheme. If the numbering of the clauses of the respective Share Option Scheme is changed due to addition, deletion or re-arrangement of certain clauses made in the proposed amendments, the numbering of the clauses of the Share Option Scheme as amended shall be changed accordingly.

The Share Option Scheme is prepared in English with no official Chinese version. The Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

1 DEFINITIONS

1.1 In this Scheme, the following expressions shall have the following meanings:

“Adoption Date”	means the date on which this Scheme was adopted by a resolution of Shareholders in a general meeting of the Company <u>on 30th August, 2022</u> ;
“Anniversary”	means the date that falls 12 calendar months from the date in question;
<u>“Approval Date”</u>	<u>means the date on which the Scheme Mandate Limit (as defined below in Rule 6.1) was approved by a resolution of Shareholders in a general meeting of the Company held on 28th August, 2023;</u>
“Associate”	has the same meaning as defined in the Listing Rules;
“Auditors”	means the auditors for the time being of the Company;
“Board”	means the board of Directors of the Company or a committee thereof duly formed to administer matters in relation to this Scheme;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;
“chief executive”	has the meaning ascribed to it under the Listing Rules;
“Claw-back”	means a recovery of value by the Company from a Grantee or his Personal Representative(s) in accordance with the provisions of Rule 16 (<i>Claw-back</i>) and Appendix 1 (<i>Operation of Claw-back</i>);
“Close Associate”	has the same meaning as defined in the Listing Rules;

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time);
“Company”	means Vitasoy International Holdings Limited (維他奶國際集團有限公司), the securities of which are listed on the Stock Exchange;
“Connected Person”	has the same meaning as defined in the Listing Rules;
<u>“Controlling Shareholder”</u>	<u>has the same meaning as defined in the Listing Rules;</u>
“Core Connected Person”	has the same meaning as defined in the Listing Rules;
“Custodian”	means the custodian(s) to be appointed to hold, transfer and/or otherwise deal with the Shares for and on behalf of, and pursuant to the instruction of, the relevant Grantees upon exercise of the Options;
“CWUMPO”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);
“Date of Grant”	means the date (which must be a Business Day) on which the Board resolves by holding a Board meeting or passing a written resolution to grant an Option to an Eligible Participant under this Scheme;
“Director(s)”	means the director(s) of the Company for the time being;
“Disability”	means, in relation to an Eligible Participant, where the Eligible Participant is unable to perform his/her employment as set out in his/her employment contract by reason of any medically determinable physical or mental impairment which has lasted, or can be expected to last, for a continuous period of not less than 12 months, in each case as evidenced to the satisfaction of the Company;
“Eligible Participant”	means any person who satisfies the eligibility criteria in Rule 5.1;
“Exercise Date”	has the meaning given in Rule 9.7;

“Fair Market Value”	<p>on a given date, means:</p> <ul style="list-style-type: none">(i) if the Shares are listed on the Stock Exchange, the official closing price of a Share reported in the daily quotation sheet of the Stock Exchange on such date or, if there is no such price on that date, then on the last preceding date on which such a price was reported;(ii) if the Shares are not listed on any securities exchange but are quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price of a Share reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or(iii) if the Shares are not listed on a securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Board to be the fair market value of a Share on such date based upon a good faith attempt to value the Shares accurately and computed in accordance with the International Financial Reporting Standards as applicable from time to time;
“Grantee”	<p>means any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in Rule 9.6.1) his Personal Representative(s);</p>
“Group”	<p>means the Company and the Subsidiaries;</p>
“HK\$”	<p>means Hong Kong dollars, the lawful currency for the time being of Hong Kong;</p>
“Hong Kong”	<p>means the Hong Kong Special Administrative Region of the People’s Republic of China;</p>
“in writing”	<p>shall include, without limitation, letter, email, online communication and such other electronic and non-electronic communication as the Company may from time to time determine, in its absolute discretion, to be acceptable as a form of communication in terms of this Scheme;</p>

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time;
“Offer”	means an offer for the grant of an Option made in accordance with Rule 7.6;
“Offer Date”	means the date on which an Offer is made to an Eligible Participant;
“Option”	means an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
“Option Period”	means in respect of any particular Option, the period within which the Shares must <u>an Option may be taken up</u> exercised as determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant;
“Performance Metrics”	means the metrics determined by the Board from time to time (which may include metrics relating to the performance of individual Eligible Participants, the Company, the Group, any company within the Group and/or any division, department and/or unit) as determined, amended or altered by the Board from time to time and notified to Eligible Participants by the Company;
“Personal Representative(s)”	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“Rules”	means the Rules of this Scheme;
“Scheme”	means this share option scheme in its present form or as amended in accordance from time to time in accordance with Rule 14;
“Shareholders”	means the holders of Shares;
“Shares”	means ordinary shares of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited or such other stock exchange which is the principal stock exchange (as determined by the Board) on which the Shares are for the time being listed or traded;

“Subscription Price”	means the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to Rule 8, subject to any adjustments made pursuant to Rule 11;
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere, and “Subsidiaries” shall be construed accordingly;
“Substantial Shareholders”	has the same meaning as defined in the Listing Rules;
“Supplementary Guidance”	means the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the <u>Stock</u> Exchange relating to share option schemes;
“Tax Liability”	means any tax and/or pensions and social security contributions of whatsoever nature (including, without limitation, income tax, indirect tax and surtax, stamp and other duties, or any similar taxes or imposts);
“Termination Date”	means the tenth Anniversary of the Adoption Date; and
“%”	means per cent.

1.2 In the Rules of this Scheme, unless the context requires otherwise:

1.2.1 paragraph headings are for ease of reference only and shall be ignored in construing these Rules or the Scheme;

1.2.2 references to a Rule shall be a reference to one of these Rules and references to a paragraph or paragraphs are references to paragraph or paragraphs hereof;

1.2.3 words importing the singular include the plural and vice versa;

1.2.4 words importing one gender include both genders and the neuter and vice versa;

1.2.5 references to persons include bodies corporate and unincorporated;

1.2.6 references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted and shall include any subordinate legislation made under the relevant statute; and

1.2.7 references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2 CONDITIONS

2.1 This Scheme is conditional upon the passing of an ordinary resolution by the Shareholders resolving to approve and adopt this Scheme at a general meeting of the Company and to authorise the Board to grant Options under this Scheme and to allot and issue Shares pursuant to the exercise of any Options.

2.2 The grant of Options under this Scheme is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under this Scheme.

2.3 Reference in Rule 2.2 to the Stock Exchange granting the approval and permission shall include any such approval and permission which are granted subject to such conditions as the Stock Exchange may impose.

2.4 A certificate signed by any Director or the secretary of the Company certifying that the conditions set out in Rules 2.1 and 2.2 have been fulfilled or satisfied and the date on which such conditions were fulfilled or satisfied or that such conditions have not been fulfilled or satisfied as of any particular date and the exact date of the “Adoption Date” shall be conclusive evidence of the matters so certified.

3 PURPOSE

The purposes of the Scheme are to attract and retain management and key employees, to align Eligible Participants’ interests with the long-term success of the Company, to provide fair and competitive compensation to management and key employees and to drive the achievement of strategic objectives of the Company.

The Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

3.1 motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group; and

3.2 attracting and retaining or otherwise maintaining an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

4 COMMENCEMENT, DURATION AND ADMINISTRATION

- 4.1 Subject to the satisfaction of all the conditions in Rule 2.1, the Scheme shall be deemed to commence on the Adoption Date and shall continue in force until the Termination Date.
- 4.2 This Scheme shall be subject to the administration of the Board, or, where the Board has delegated the power to make the relevant decision, by the relevant person(s) to which or whom such power is delegated, whose decision on all matters arising in relation to this Scheme or the interpretation of its Rules or its effect shall (save as otherwise provided herein) be final and binding on all persons who may be affected thereby. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered Options under this Scheme, and the number of Shares and Subscription Price, subject to Rule 8; (c) subject to Rules 11 and 14, make such adjustments to the terms of the Options granted under the Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it deems appropriate in relation to the Offers and/or the administration of the Scheme provided that the same are not inconsistent with the provisions of this Scheme, the Listing Rules and other applicable laws and regulations.
- 4.3 Subject to Rules 2 and 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Options may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 4.4 In relation to the administration of the Scheme, no member of the Board or employee of the Company shall be personally liable by reason of any contract or other instrument executed by such person(s) or on his behalf in his capacity as a member of the Board or employee of the Company nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each person to whom any duty or power relating to the administration or interpretation of this Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out or omission to act in connection with this Scheme unless arising out of such person's own gross negligence, fraud or bad faith.

5 PARTICIPANTS AND BASIS FOR DETERMINING ELIGIBILITY OF PARTICIPANTS

- 5.1 The Board may at its discretion grant Options to any Director, executive or employee of the Company or its Subsidiaries.
- 5.2 Any person or company whom or which the Board has resolved is qualified to be an Eligible Participant must remain eligible during the period when any Option granted to him or it remains outstanding.

- 5.3 In the event that the Board has resolved that a Grantee fails or otherwise is unable to meet the continuing eligibility criteria, the Company is entitled to cancel without compensation any outstanding Option or part thereof granted to such Grantee to the extent not already exercised.

6 MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 6.1 ~~The overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under this Scheme and any other share option schemes and share awards to be granted under any other share award schemes for the time being of the Company shall not, in aggregate, exceed such number of Shares as equals 30% of the Shares in issue from time to time, subject to the conditions set out below. No Option may be granted under the Scheme or any other share option scheme or share awards to be granted under any other share award schemes of the Company if it will result in the above-mentioned 30% limit being exceeded. Within the above-mentioned limit~~ Scheme Mandate Limit (as defined below) shall operate as follows:

- 6.1.1 The total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option scheme and share awards to be granted under any other share award schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the Approval Date ~~date of approval of this Scheme by the Shareholders (i.e. the Adoption Date)~~ (the “Scheme Mandate Limit”), unless Shareholders’ approval has been obtained pursuant to Rules 6.1.2 or 6.1.3. Options or awards lapsed in accordance with the terms of this Scheme or any other share option scheme or any other share award schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

- 6.1.2 The Scheme Mandate Limit referred to under Rule 6.1.1 may be refreshed after three years from the ~~Adoption~~ Approval Date ~~Adoption Date~~ (or from the date of Shareholders’ approval for the last refreshment) subject to prior Shareholders’ approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option schemes and share awards to be granted under any other share award schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. ~~Additional~~ Scheme Mandate Limit. Subject to the Listing Rules, any refreshment within any three year period must be approved by independent Shareholders, where any Controlling Shareholder and their Associates (or if there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective Associates) must abstain from voting in favour of such resolution in such general meeting. Options or awards previously granted under this Scheme or any other share option schemes or any other share award schemes of the Company (including those outstanding, cancelled, lapse in accordance with the terms of exercised options) will not be counted for the purpose of the calculating the limit as refreshed, and the Company must comply with the relevant requirements under the Listing Rules.

- 6.1.3 Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Eligible Participants if (a) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company before such Shareholders' approval is sought; ~~and~~ (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular; (c) the number and terms of Options to be granted to such Eligible Participant(s) must be fixed before Shareholders' approval; and (d) for the purpose of calculating the Subscription Price for the Shares in respect of the further Options proposed to be granted as described in Rule 8, the date on which the Board resolves by holding a Board meeting or passing a written resolution for proposing such grant of further Options shall be taken as the Date of Grant as described in that Rule.
- 6.2 No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all options (including Options under this Scheme) or vested and to be vested under other share award schemes already granted or to be granted to such Eligible Participant (~~including exercised, cancelled and outstanding~~ excluding any options and/or awards lapsed in accordance with the terms of this Scheme or other share award schemes) in the 12-month period up to and including the date of such new grant exceeding in aggregate over 1% of the Shares in issue as at the date of such new grant. ~~Any grant of further Options above this limit shall be subject to the following requirements unless:~~
- 6.2.1 ~~approval of such grant is separately approved by~~ the Shareholders at a general meeting, with such Eligible Participant and his Close Associates (or his Associates if the Eligible Participant is a Connected Person) abstaining from voting;
- 6.2.2 a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time required by the Listing Rules;
- 6.2.3 the number and terms of the Options to be granted to such proposed Grantee shall be fixed before the approval of the Shareholders as mentioned in Rule 6.2.1; and
- 6.2.4 for the purpose of calculating the Subscription Price for the Shares in respect of the further Options proposed to be granted as described in Rule 8, the date on which the Board resolves by holding a Board meeting or passing a written resolution for proposing such grant of further Options shall be taken as the Date of Grant as described in that Rule.
- 6.3 The maximum number of Shares referred to in Rule 6 shall be adjusted, in such manner as the Auditors or an independent financial adviser appointed by the Company shall certify as fair and reasonable in accordance with Rule 11.

7 GRANT OF OPTIONS

7.1 Subject to Rule 7.2, the Board shall, in accordance with the provisions of this Scheme, be entitled but shall not be bound to, at any time within 10 years after the Adoption Date, make an Offer to such Eligible Participants as it may in its absolute discretion select, and no person other than the Eligible Participants named in such Offer (including his Personal Representative(s)) may subscribe, during the Option Period, for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board shall determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; (ii) Performance Metrics (if any) that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

7.2 No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules, the Company's own code for securities transactions by Directors or by any other applicable rules, regulations or law. In particular, no Offer shall be made by the Board in the following circumstances:

7.2.1 after inside information has come to its knowledge until (and including) the trading day after such information has been announced pursuant to the requirements of the Listing Rules; and

7.2.2 during the period of one month immediately before the earlier of:

(a) the date of the Board meeting (or such date as is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement. No Option may be granted during any period of delay in publishing a results announcement.

7.3 Any grant of Options to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective Associates, under this Scheme must be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Options).

- 7.4 Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective Associates, would result in the Shares issued and to be issued upon exercise of all options and/or awards already granted and to be granted (including (excluding any options exercised, cancelled and outstanding and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant: ~~7.4.1~~ representing in aggregate over 0.1% of the Shares in issue, and ~~7.4.2~~ having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000, then such further grant must be subject to the approval by Shareholders at a general meeting taken on a poll in the manner set out in the Listing Rules. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange Listing Rules, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the relevant Options) on whether or not to vote in favour of the proposed grant.
- 7.5 The requirements for the grant of Options to a Director or chief executive of the Company set out in Rules 7.3 and 7.4 shall not apply where the Eligible Participant is only a proposed director or chief executive of the Company.
- 7.6 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his Personal Representative(s)) for a period of 28 days inclusive of, and from the Offer Date (or such longer or shorter period as the Board may specify) provided that no such Offer shall be open for acceptance after expiry of the Option Period or after this Scheme has been terminated in accordance with the terms hereof or after the Eligible Participant for whom the Offer is made has ceased to be an Eligible Participant.
- 7.7 An Offer shall state the following:
- 7.7.1 the name, address and position of the Eligible Participant;
 - 7.7.2 the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
 - 7.7.3 the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;
 - 7.7.4 the last date by which the Offer must be accepted;
 - 7.7.5 the procedures for acceptance;

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- 7.7.6 such other terms and conditions of the Offer as may be imposed by the Board as are consistent with this Scheme; and
- 7.7.7 a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme.
- 7.8 An Offer shall be deemed to have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant (save in the case of Rule 7.9 when acceptance of a lesser number of Shares is clearly stated in the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer) when the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer duly given and/or signed by the Eligible Participant is received by or on behalf of the Company electronically or at the principal place of business of the Company in Hong Kong (as applicable) on or before the last day by which the Offer must be accepted.
- 7.9 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter or the electronic communication (as applicable) comprising acceptance of the Offer duly given and/or signed by such Eligible Participant. To the extent that the Offer is not accepted within 28 days or any such shorter or longer period as the Board may specify, from the date on which the letter or the form of electronic communication (as applicable) containing the Offer is delivered to that Eligible Participant in the manner indicated in Rule 7.8, it shall be deemed to have been irrevocably declined.
- 7.10 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with Rules 7.8 or 7.9, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Date of Grant. To the extent that the Offer is not accepted in the manner indicated in Rules 7.8 or 7.9, it will be deemed to have been irrevocably declined. If the Eligible Participant ceases to be eligible before the Offer is deemed to have been accepted, the Offer shall lapse and cease to be capable of acceptance.
- 7.11 No Offer shall be made which is capable of or open for acceptance such that an Option will be granted after the Termination Date.

8 SUBSCRIPTION PRICE

- 8.1 Subject to adjustments made in a situation contemplated under Rule 11 below, the Subscription Price in respect of any Option shall be at the discretion of the Board, provided that it must be ~~not less than~~ at least the higher of:
- 8.1.1 the closing price of a Share as shown in the daily quotations sheet of the Stock Exchange on the Date of Grant (which must be a Business Day) in respect of such Option; and
- 8.1.2 the average of the closing ~~prices~~price of the Shares as shown in the daily quotations sheet of the Stock Exchange for the five Business Days immediately preceding the relevant Date of Grant in respect of such Option.
- 8.2 For the purpose of calculating the Subscription Price for the Shares in respect of any Options proposed to be granted, the date on which the Board resolves by holding a Board meeting or passing a written resolution for proposing such grant of Options shall be taken as the Date of Grant.

9 EXERCISE OF OPTIONS

- 9.1 An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee without compensation to the extent not already exercised without incurring any liability on the part of the Company.
- 9.2 An Option may be exercised in accordance with the terms of this Scheme at any time during an Option Period to be notified by the Board to each Grantee (subject to Rule 9.6), within which the Shares must be taken up. The Option Period will be determined by the Board in its absolute discretion, provided that no Option may be exercised later than ten years from the Date of Grant. Any Option not exercised within the Option Period shall lapse and determine.
- 9.3 ~~Unless otherwise prescribed in the Listing Rules, there is no~~The minimum period for which an Option must be held before such an Option can be exercised under the terms of this Scheme: ~~Where shall not be less than 12 months (or such other period as may be prescribed by the Listing Rules do prescribe for a minimum period for which an Option must be held before such an Option can be exercised, from time to time).~~ To the extent permitted by and in accordance with the procedures set out in the Listing Rules (where applicable), the Board and/or the Company may, at its absolute discretion, determine that a shorter vesting period shall apply than the prescribed minimum period.

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- 9.3.1 Subject to the foregoing, a shorter vesting period than the prescribed minimum period may, at the Board and/or the Company’s absolute discretion, apply in the following circumstances:
- 9.3.1 9.3.1.1 grants to Eligible Participants for the purpose of compensating him for any loss of share options or awards or any other form of compensation due to leaving his previous employer(s);
- 9.3.2 9.3.1.2 grants to Eligible Participants whose employment is terminated due to death or Disability or occurrence of any out of control event;
- 9.3.3 9.3.1.3 grants with performance-based vesting conditions provided in this Scheme, in lieu of time-based vesting criteria;
- 9.3.4 9.3.1.4 grants that are made in batches during a year for administrative and compliance reasons;
- 9.3.5 9.3.1.5 grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over the prescribed minimum period; and
- 9.3.6 9.3.1.6 grants with a total vesting and holding period of more than the prescribed minimum period.
- 9.3.2 Notwithstanding the provisions of this Rule 9.3, a shorter vesting period may apply where the events detailed in Rules 9.6.7 to 9.6.9 below occur (upon which the relevant Grantees will be entitled to exercise any or all of his Options).
- 9.4 For avoidance of doubt, for Options with specified Performance Metrics which must be satisfied or achieved before the Options can be exercised, such Options shall only be exercisable upon the Board certifying that the relevant Performance Metrics have been achieved or satisfied and all other condition(s) have been achieved or satisfied.
- 9.5 Subject to Rule 17.8, an Option shall be exercisable in whole or in part by a Grantee giving notice in writing (in a form prescribed by the Board) to the secretary of the Company at the principal place of business of the Company in Hong Kong or to the Custodian stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be provided together with (a) a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given (the “Exercise Monies”); or (b) a written and/or electronic instruction to the Custodian to sell all or part of the Shares in respect of which the notice is given and deduct an amount representing the Exercise Monies from the sale proceeds (the “Sale Proceeds”) and transfer such amount to the Company as soon as practicable. Within 28 days after receipt of the notice (and, where appropriate, receipt of the

certificate of the Auditors or the independent financial adviser to the Company pursuant to Rule 11), the Company shall accordingly allot the relevant number of Shares to the Custodian (as trustee for and on behalf of the relevant Grantee) (or, in the event of an exercise of Option by a Personal Representative pursuant to Rule 9.6.1, to the estate of the Grantee) fully paid and issue to the Custodian (as trustee for and on behalf of the relevant Grantee) (or the estate of the Grantee in the event of an exercise by his Personal Representative as aforesaid) a share certificate or certificates in respect thereof. In the event the amount of the Sale Proceeds is less than the amount of the Exercise Monies, the relevant Grantee(s) shall remit the shortfall to the Company immediately upon demand.

9.6 Subject as hereinafter provided and/or any restrictions applicable under the Listing Rules, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that (and subject to any other terms and conditions specified in the relevant Offer):

9.6.1 in the event of the Grantee ceasing to be an Eligible Participant by reason of his death (as evidenced by the production to the Company of a death certificate) before exercising his Option in full and none of the events for termination of employment under Rule 10.1.4 then exists with respect to such Grantee, his Personal Representative(s) may exercise such Option up to the Grantee's entitlement as at the date of death (to the extent vested and not already exercised) in whole or in part in accordance with the provisions of Rule 9.5 within a period of 12 months from the date of his death and any Option not so exercised shall lapse and determine without compensation at the expiry of such period, provided that where any of the events set out in Rules 9.6.7, 9.6.8 and 9.6.9 occurs prior to his death or within such period of 6 months following his death, then his Personal Representative(s) may so exercise the Option only within such of the various periods respectively set out in such Rules. If within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in Rule 10.1.4 which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's Personal Representative(s) and/or to the extent the Option has been exercised in whole or in part by his Personal Representative(s), but Shares have not been allotted as at the date of his death, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

9.6.2 except for Directors' retirement by rotation as required under the Articles of Association of the Company and/or the Listing Rules, in the event of the Grantee who is a director or an employee of the Group ceasing to be such a director or employee by reason of his retirement in accordance with his/her contract of employment or at the relevant retirement age and subject to such other conditions and requirements (applicable to the Grantee) as set out in the Company's long-term incentive internal document(s) as drafted and amended by the Company from time to time (or, in the absence of such document, as determined by the Company from time to time), then the Grantee may exercise his Option (to the extent vested and not already exercised on the date of the retirement (the "Retirement Date") or on the Extended Retirement Date (as defined below) if the Grantee is re-employed by the Group on (or prior to) the Retirement Date) in whole or in part at any time within a period of 6 months (the "Extended Period") commencing on the Retirement Date and any Option not so exercised before the expiry of the Extended Period shall lapse and determine without compensation at the end of such period, provided that if the Grantee is re-employed by the Group on (or prior to) the Retirement Date, the Extended Period will commence from the date of retirement of his re-employment instead (the "Extended Retirement Date"). This process shall apply mutatis mutandis if the Grantee is re-employed by the Group on (or prior to) any Extended Retirement Date. For the avoidance of doubt, if the Grantee is re-employed by the Group on (or prior to) the Retirement Date or Extended Retirement Date (as applicable), he does not cease to be an Eligible Participant and his unvested Options on the Retirement Date or Extended Retirement Date shall continue to vest over the scheduled vesting period;

9.6.3 in the event of the Grantee ceasing to be an Eligible Participant by reason of:

- (a) the employing company of a Grantee who is a director or an employee ceasing to be a member of the Group (provided that the employment of such Grantee has not been transferred to another Group member within 6 months upon such employing company ceasing to be a member of the Group); or
- (b) Disability; or
- (c) not accepting a contract renewal offer that was offered to him in good faith by the Company or its Subsidiaries; or
- (d) redundancy or non-renewal of employment contract at the initiative of the Company or its Subsidiaries; or
- (e) any other termination initiated by the Company or its Subsidiaries whereby the Grantee does not fall within any other reason in this Rule 9.6 (including termination of his employment by his employing company on notice or with payment in lieu of such notice),

then the Grantee may exercise his Option (to the extent vested and not already exercised on the date of cessation) in whole or in part at any time within a period of 6 months commencing on the date of the cessation and any Option not so exercised shall lapse and determine without compensation at the end of such period;

9.6.4 in the event of the Grantee who is a director or an employee of the Group ceasing to be such a director or employee by reason of voluntary resignation by the Grantee, then all his Options (to the extent not already exercised on the date of the tender of the resignation (the “Resignation Date”)) shall lapse on the Resignation Date and shall on that day cease to be exercisable. To the extent the Grantee has exercised the Option in whole or in part pursuant to Rule 9.5, but Shares have not been allotted on the Resignation Date, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

9.6.5 in the event of the Grantee ceasing to be an Eligible Participant for any reason other than as described in this Rule 9 and Rule 10, as and when determined by the Board (in a Board meeting or by a written resolution), any unvested Option of such Grantee on the date of such cessation shall lapse and determine without compensation on such date and the Board may by written notice to such Grantee within 1 month from the date of such cessation determine the period within which the Option (to the extent vested and not already exercised) shall be exercisable following the date of such cessation;

9.6.6 in the event of the Grantee ceasing to be an Eligible Participant by reason of:

(a) resignation or termination of employment on account of performance issues (including but not limited to, being placed on a performance improvement plan prior to cessation); or

(a) one or more of the grounds specified in Rules 10.1.3 and/or 10.1.4,

then all his Options shall lapse automatically and immediately determine without compensation on the date he so ceases (to the extent not already exercised) and to the extent the Grantee has exercised the Option in whole or in part pursuant to Rule 9.5, but Shares have not been allotted on the date of cessation, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

- 9.6.7 if, in consequence of any general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in a like manner) made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his Personal Representative) shall be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Option (to the extent that such Options have not lapsed or been cancelled), and such Option shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period;
- 9.6.8 in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall as soon as possible give notice thereof to every Grantee and the Grantee (or his Personal Representative) shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than four Business Days prior to the proposed general meeting) to exercise all or any of his Option (to the extent that such Options have not lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation on the date of commencement of the winding up of the Company;
- 9.6.9 in the event of a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his Personal Representative) shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) to exercise all or any of his Option (to the extent that such Options have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine without compensation. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this Rule 9.6.9 shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court

having jurisdiction (the “Court”) (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension;

9.6.10 upon the occurrence of any of the events referred to in Rules 9.6.7 to 9.6.9, the Company may at its discretion and notwithstanding the terms of the relevant Option, also give notice to the Grantee that his Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company;

9.6.11 in any case where Options lapse pursuant to Rules 9.6.1 to 9.6.6, the Board may in its absolute discretion determine that all or any of such Options shall not so lapse (or shall lapse on a later date) subject to such conditions or limitations as the Board may decide. For the avoidance of doubt, a determination under this Rule 9.6.11 shall not affect the application of Rule 9.3 above; and

9.6.12 without prejudice to any other Rule of this Scheme:

- (a) a Claw-back (in accordance with Rule 16 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) shall apply in respect of any Shares issued as a result of the exercise of Options granted, vested and/or exercised to a Grantee within, at minimum, 24 months from the date the Grantee ceases to be an Eligible Participant by reason of the events referred to in Rule 9.6.6 (b); and
- (b) the Board may impose a Claw-back (in accordance with Rule 16 (*Claw-back*) and Appendix 1 (*Operation of Claw-back*)) in respect of any Shares issued as a result of the exercise of Options granted, vested and/or exercised to a Grantee who ceases to be an Eligible Participant by reason of the events referred to in Rule 9.6.6 (a).

9.7 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “Exercise Date”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee or the Custodian (as trustee for and on behalf of the Grantee) has been duly entered onto the register of members of the Company as the holder thereof.

- 9.8 Notwithstanding this Rule 9, the Grantee shall not be entitled to exercise any Option until:
- (a) any restriction or condition imposed by the applicable laws and regulations in relation to the subscription for, holding of, dealing in, shares of overseas listed companies have been abolished, removed or ceased to be applicable to the Grantee or the Grantee has obtained approval, exemption or waiver from the relevant regulatory authorities, or complied with applicable laws, regulations and notices, for the subscription for, holding of or dealing in the Shares; and
 - (b) by exercising the Options, he or she has given, and is deemed to have given, representations and warranties to the Company to the effect that he or she has satisfied all applicable laws, regulations and notices in exercising the Options.

10 EARLY TERMINATION OF OPTION PERIOD

- 10.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

10.1.1 the expiry of the Option Period (subject to the provisions of this Scheme);

10.1.2 any expiry date or the expiry of any period (as the case may be) referred to in Rules 9.6.1 to 9.6.11;

10.1.3 the date on which an order for bankruptcy (or any such equivalent order in any other jurisdictions) has been laid against the Grantee;

10.1.4 the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment with the Group on the grounds of (and in each case as evidenced to the satisfaction of the Board):

- (a) any circumstances justifying summary dismissal or misconduct (which, for the avoidance of doubt, includes any conduct which seriously threatens to bring any Group company into disrepute or that seriously jeopardises the good standing and reputation of any Group company);
- (b) having become insolvent or appearing either to be unable to pay or to have no reasonable prospect of being able to pay debts or having made any arrangements or composition with his creditors in general;
- (c) conviction for any criminal offence (other than a motoring offence for which no custodial sentence is given); or
- (d) breach of contract or employment terms or duties with the Group.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

A resolution in a board meeting or a written resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this Rule 10.1.4 shall be conclusive and binding on the Grantee, and where appropriate, his Personal Representative(s);

10.1.5 the date of commencement of the winding up of the Company;

10.1.6 the date on which the Grantee commits a breach of Rule 9.1 of this Scheme;

10.1.7 the date on which any of the following events, unless otherwise waived by the Board, happen:

- (a) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee (being a corporation);
- (b) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of Section 178 of the CWUMPO or any similar laws or regulations) or otherwise become insolvent;
- (c) there is unsatisfied judgement, order or award outstanding against the Grantee;
- (d) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in subparagraphs (a), (b) and (c) above;
- (e) a bankruptcy order has been made against any director of the Grantee (being a corporation) in any jurisdiction; or
- (f) a petition for bankruptcy has been presented against any director of the Grantee (being a corporation) in any jurisdiction;

10.1.8 the date on which the Grantee commits a breach of any terms and conditions of this Scheme or the grant of his Option, if the Board shall exercise the Company's right to cancel the Option without compensation;

10.1.9 the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in this Scheme, if the Board shall exercise the Company's right to cancel the Option without compensation; or

10.1.10 the date on which the Board resolves to cancel any Option pursuant to Rule 12.

10.2 If any of the events set out in Rule 10.1.6 happen or the Grantee commits a breach of any terms and conditions of this Scheme or the grant of his Option, the Board shall have the right to cancel his Option without compensation.

- 10.3 A resolution in a Board meeting or a written resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in Rule 10.1.4 shall be conclusive and binding on the Grantee.

11 REORGANISATION OF CAPITAL STRUCTURE

- 11.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, arising from any capitalisation issue, rights issue or open offer to the Shareholders which has a price-dilutive effect, consolidation or sub-division of Shares or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, then, in any such case the number of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the Subscription Price thereunder and/or the relevant maximum limits determined under Rule 6 may be adjusted in such manner as the Board may deem appropriate provided always that:

11.1.1 any such adjustment shall be made to give a Grantee the same proportion of the share capital of the Company (rounded to the nearest whole Share) as that to which that Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance);

11.1.2 any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and

11.1.3 any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

- 11.2 If any adjustments occur pursuant to Rule 11.1 above (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the Auditors or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed complies with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

- 11.3 If there has been any alteration in the capital structure of the Company as referred to in Rule 11.1, the Company shall, upon receipt of a notice from a Grantee in accordance with Rule 9.5, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with Rule 11.2.

11.4 In giving any certificate under this Rule 11, the Auditors or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

12 CANCELLATION OF OPTIONS

The Board may cancel any Option provided that: (i) the Company pays to the Grantee an amount equal to the cash value of the Option at the date of cancellation as determined by the Board by reference to the difference between the market value of a Share and the Subscription Price; or (ii) the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (iii) the Board makes such arrangements as the Grantee may agree to compensate him for the loss of the Option. Where the Company cancels Options and issuegrant new Options to the same Grantee, the issuegrant of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

13 SHARE CAPITAL

13.1 The exercise of any Option shall be subject to the Shareholders in a general meeting approving any necessary increase in the share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company so as to allow the allotment of the Shares on the exercise of any Option.

13.2 The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

14 ALTERATION OF THIS SCHEME

14.1 This Scheme may be altered in any respect by a resolution of the Board (without the approval of Shareholders) except that any alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions of this Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Grantees or prospective Grantees except with the prior sanction must be approved by of a resolution of Shareholders of the Company in a general meeting.

14.2 ~~Any alteration to the terms and conditions of this Scheme which are of a material nature or any change to the terms of the Options granted prior to such alteration shall~~ an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders in a general meeting (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of this Scheme.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

- 14.3 The amended terms of this Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.
- 14.4 The Board shall be entitled to amend the terms of this Scheme so as to comply with the Listing Rules and any Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to this Scheme, provided that such amendments are allowed by the Listing Rules and any Supplementary Guidance.
- 14.5 Any change to the authority of the Board in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in a general meeting.
- 14.6 Where a change is proposed to the terms of any Options granted to an Eligible Participant who is a Substantial Shareholder or an independent non-executive Director of the Company or any of their respective Associates, then the proposed change must be subject to the approval by Shareholders at a general meeting taken on a poll. ~~All Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the holder of the Options whose terms are to be changed) on whether or not to vote in favour of the proposed change.~~ in the manner required by the Listing Rules, if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

15 TERMINATION

- 15.1 This Scheme shall terminate automatically on the Termination Date, unless terminated earlier by the Company by an ordinary resolution by the Shareholders in a general meeting or the Board may at any time terminate the operation of this Scheme. On termination of this Scheme, no further Options may be offered or granted but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 15.2 Unless otherwise stated in this Scheme, Options granted before termination of this Scheme shall continue to be valid and exercisable in accordance with these Rules.

16 CLAW-BACK

16.1 Without prejudice to Rule 16.2, the Board may at any time after the Exercise Date of an Option determine that a Claw-back shall apply in respect of any Shares issued as a result of the exercise of such Options, if the Board determines that:

16.1.1 there has been a material misrepresentation, misstatement, erroneous calculation, error or discrepancy in relation to the performance of any Group company, relevant business unit and/or the Grantee on the basis of which the grant of Option was determined (which may include, but shall not be limited to a material: (i) misstatement of the financial results and/or financial position of any Group company; (ii) erroneous calculation in relation to the results or other performance benchmark of any Group company; (iii) error in the financial statements of any Group company; or (iv) discrepancy in the financial accounts of any Group company, and, for the avoidance of doubt, in each case, notwithstanding that such misrepresentation may not arise from fraud or reckless behaviour); or

16.1.2 an erroneous calculation was made in assessing the extent to which the Option was granted or is to be capable of vesting, or vested, or in respect of any Shares issued as a result of the exercise of such Options,

and, in either case, (a) the Option was granted or is capable of vesting, or being vested, in respect of a greater number of Options or (b) in respect of any Shares issued as a result of the exercise of such Options, in respect of a greater number of Shares than would have been the case had any of the matters specified in Rule 16.1.1 and/or Rule 16.1.2 not arisen.

16.2 Without prejudice to Rule 16.1, the Board may at any time (whether before or after vesting or exercise) determine that a Claw-back shall apply in respect of an Option and/or Shares issued as a result of the exercise of an Option, if the Board determines that the Grantee, or his personal representative (as applicable), has committed, including prior to grant, or after the vesting or the exercise of the Option:

16.2.1 an act or omission which justifies, or in the determination of the Board would have justified, summary dismissal or service by any Group company of notice of termination of office or employment on the grounds of misconduct;

16.2.2 an act which breaches, or in the determination of the Board breaches, any non-compete, confidentiality and/or non-solicitation restrictive covenants pursuant to any agreement or arrangement between the Grantee, or his Personal Representative(s) (as applicable), and any Group company; or

16.2.3 failing to pay or to indemnify any Group company for any claims and demands which may be made against any Group company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee, or his Personal Representative(s) (as applicable), to pay any tax obligation (including any Tax Liability) and against all incidental costs and expenses which may be incurred or spent by any Group company as a result.

16.3 A Claw-back shall be applied in accordance with the provisions of Appendix 1 (*Operation of Claw-back*).

16.4 By participating in this Scheme, the Grantee, or his Personal Representative(s) (as applicable), acknowledges and agrees that the Board may lapse any Option to such extent as it determines to be necessary (including in full) in order to give effect to the Claw-back or to a claw-back under the terms of any other employees' share scheme or bonus scheme operated from time to time by any Group company.

17 MISCELLANEOUS

17.1 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

17.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company or the Subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Subsidiaries.

17.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Custodian, the Auditors or the financial adviser to the Company in relation to the preparation of any certificate by them or providing any other services in relation to this Scheme.

17.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notices or documents being sent to the Shareholders.

- 17.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Subsidiaries, and in the case of the Grantee being a corporation, its registered office or its address as notified to the Company from time to time. Notices may also be sent electronically to the Company or a Grantee by sending it to the address notified by the Company or such Grantee (as the case may be) to the other from time to time.
- 17.6 Any notice or other communication if sent by the Grantee (or, where appropriate, his Personal Representative(s)) shall be irrevocable and shall not be effective until actually received by the Company.
- 17.7 Any notice or other communication if sent to the Grantee (or, where appropriate, his Personal Representative(s)) by the Company shall be deemed to be given or made:
- 17.7.1 one day after the date of posting, if sent by mail;
- 17.7.2 when delivered, if delivered by hand; and
- 17.7.3 immediately unless the sender received a failure of receipt notification, if sent electronically.
- 17.8 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary governmental or official consent or any other consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this Rule shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options.
- 17.9 A Grantee shall pay all Tax Liability and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 17.10 The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any Tax Liability or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company fully against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or to pay any Tax Liability or other liabilities referred to hereinabove and against all incidental costs and expenses which may be incurred or spent by the Company. The Company may withhold an amount equal to such claims and demands which may be made against the Company (whether

alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to hereinabove or Tax Liability or any other liabilities referred to hereinabove (or Company's reasonable estimate of the amount for such claims, demands, Tax Liability or any other liabilities) from any amounts due to the Grantee (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such amounts (or reasonable estimate thereof).

- 17.11 The Board shall have power from time to time to make or vary regulations for the administration and operation of this Scheme, provided that the same are not inconsistent with the other provisions of this Scheme. The Board shall also have the power to delegate its powers to grant Options to Eligible Participants and to determine the Subscription Price, to any of the Company's directors or a duly authorised committee of the Board from time to time.
- 17.12 This Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason. The offer or grant of an Award under this Scheme is by no means an offer of employment or continued employment to the Eligible Participant concerned.
- 17.13 No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Option pursuant to this Scheme, unless and until Shares are actually issued to the Grantee pursuant to the exercise of such Option.
- 17.14 The Company shall disclose details of this Scheme as and when required by the relevant requirements of the Listing Rules.
- 17.15 Any dispute arising in connection with this Scheme (whether as to the number of Shares, the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be shared equally between the Company and the relevant Grantee.
- 17.16 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

APPENDIX 1

OPERATION OF CLAW-BACK

Claw-back prior to the transfer of Shares in respect of exercised Options (or “malus”)

1. Where the Board determines (pursuant to Rules 16.1 or 16.2) that a Claw-back shall apply in respect of any Options prior to delivery of the Shares to the Grantee, or his Personal Representative(s) (as applicable), pursuant to the exercise of such Options, the Claw-back shall be applied by the Board:
 - (A) prior to the relevant vesting, by reducing the number of Options in respect of which the Options may vest (which may be all or some of such Options); or
 - (B) after the relevant vesting but prior to exercise, by reducing the number of vested Options (which may be all or some of such vested Options); or
 - (C) after the relevant exercise, by reducing the number of Shares issued as a result of the exercise of such Options (which may be all or some of such Shares issued),

in each case by such number of Shares as is determined by the Board (and the Options shall lapse to the extent so reduced, which may be in full).

Claw-back following the delivery of Shares in respect of exercised Options

2. Where the Board determines (pursuant to Rules 16.1 or 16.2) that a Claw-back shall apply in respect of any Options following delivery of the Shares to the Grantee, or his Personal Representative(s) (as applicable), pursuant to the exercise of such Options (a “Post-Transfer Claw-back”), the Board shall determine:
 - (A) the number of Shares which were delivered and which should be the subject of the Claw-back (the “Excess Shares”); and
 - (B) the aggregate Fair Market Value of such Excess Shares (as determined by the Board) on the Exercise Date (the “Equivalent Value”).
3. In the case of a Post-Transfer Claw-back, all dividends or other distributions in respect of Shares which were delivered pursuant to the exercise of such Options shall be subject to the Claw-back to the extent that the Board determines that such dividends or other distributions relate to the Excess Shares.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

4. A Post-Transfer Claw-back may be effected in such manner as may be determined by the Board, and notified to the Grantee, or his Personal Representative(s) (as applicable), including by any one or more of the following:
 - (A) by reducing the number of Shares and/or amount of cash in respect of which any Outstanding Award (as defined below) vests or may vest (or has vested or has been exercised, but in respect of which no Shares have yet been delivered or cash payment made), whether before or after the assessment of performance conditions in respect of such Outstanding Award, by the number of Excess Shares and/or the Equivalent Value (and such Outstanding Award shall lapse to the extent so reduced);
 - (B) by setting-off against any amounts payable by any Group company to the Grantee, or his Personal Representative(s) (as applicable), an amount up to the Equivalent Value (including from any bonus payment which may otherwise become payable to the Grantee or his Personal Representative(s)), to the extent permitted by law; and/or
 - (C) by requiring the Grantee, or his Personal Representative(s) (as applicable), to immediately transfer to the Company a cash amount equal to the Equivalent Value (which shall be an immediately payable debt due to the Company), provided that the Board may, at its absolute discretion, reduce the amount of the Equivalent Value subject to the Claw-back in order to take account of any Tax Liability which arose on the Excess Shares (howsoever delivered to the Grantee or his Personal Representative(s)).
5. For the avoidance of doubt, nothing in Rule 16 (*Claw-back*) or this Appendix shall in any way restrict a Grantee or his Personal Representative(s) from being able to transfer or otherwise deal in Shares acquired on exercise of an Option.
6. In paragraph 4 above:

“Outstanding Award” means any other Options under this Scheme, any award or option under any other employees’ share scheme operated from time to time by any Group company or any bonus award under any bonus scheme operated from time to time by any Group company, in each case which is either held by the Grantee or his Personal Representative(s) at the time of a determination that a Claw-back shall be applied or which are granted to the Grantee, or his Personal Representative(s) (as applicable), following such a determination.

This appendix sets out the Proposed Amendments, as marked up for ease of reference, to the Articles, as follows:

Article number	Proposed amendments
2 – Interpretation	<p>“Articles” – these Articles of Association, as adopted, or as from time to time altered in accordance with the Statutes<u>Companies Ordinance</u>;</p> <p><u>“electronic facilities” – includes, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);</u></p> <p><u>“Hybrid Meeting” – a general meeting held and conducted by (i) physical attendance by members, authorized representatives and/or proxies at the principal Meeting Location and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by members, authorized representatives and/or proxies by means of electronic facilities;</u></p> <p><u>“Meeting Location(s)” – shall have the meaning given to it in Article 67(A);</u></p> <p>“Statutes” – the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof and any subsidiary legislations thereto for the time being in force and every other ordinance for the time being in force concerning companies and affecting the Company;</p> <p>“Stock Exchange” – any stock exchange on which the shares of the Company are listed and permitted to be dealt with from time to time, including the Hong Kong Stock Exchange; and</p> <p>“summary financial report” – shall have the meaning given to it under section 357(1) financial report” of the Companies Ordinance; and</p> <p><u>“Virtual Meeting” – a general meeting held and conducted wholly and exclusively by virtual attendance and participation by members, authorized representatives and/or proxies by means of electronic facilities.</u></p> <p>(E) The expression “Secretary” shall (subject to the provisions of the Statutes <u>Companies Ordinance</u>) include an assistant or deputy Secretary, and any person appointed by the Board to perform any of the duties of the Secretary.</p>

3 – Words defined in <u>Statutes Companies Ordinance</u> bear same meaning in Articles	Subject as aforesaid any words or expressions defined in the <u>Statutes Companies Ordinance</u> in force at the date when these Articles or any part thereof are adopted shall, if not inconsistent with the subject or context, bear the same meanings respectively in these Articles.
9 – Redeemable shares	Any share may be issued on terms that it is, or at the option of the Company or the holder thereof is to be liable, to be redeemed on such terms and in such manner as the Company may in accordance with the provisions of the <u>Statutes Companies Ordinance</u> and the Listing Rules prescribe provided that, where power is reserved to purchase for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as determined from time to time by the Company in General Meeting and, if purchases are by tender, tenders shall be available to all holders of the redeemable shares of the Company alike.
10 – Allotment of shares	Subject to the provisions of the <u>Statutes Companies Ordinance</u> and these Articles, and any resolution of the Company relating thereto, the Board may allot or otherwise dispose of any share of the Company to such persons, at such times and on such terms and conditions as the Board may determine, with full power to give to any person an option over any share for such time and for such consideration as the Board may think fit, but so that no shares shall be issued at a discount except as permitted by the <u>Statutes Companies Ordinance</u> .
11(A) – Commission and Brokerage on Issue	The Company (or the Board on behalf of the Company) may exercise any powers conferred by the <u>Statutes Companies Ordinance</u> of paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do, whether absolutely or conditionally Provided that the rate per cent., or the amount of the commission paid or agreed to be paid, shall not exceed 10 per cent. of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto, and the applicable requirements of the <u>Statutes Companies Ordinance</u> shall be observed.
12 – Compliance with <u>Statutes Companies Ordinance</u>	The Company shall duly observe and comply with the provisions of the <u>Statutes Companies Ordinance</u> applicable to any allotment or issue of its shares.

15 – Members’ right to Certificates	Every member shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such reasonable sum as the Board may from time to time determine (which shall not exceed the maximum amount as may be prescribed by the Stock Exchange from time to time) for each additional certificate, to several certificates each for one or more of such shares Provided that in the case of any share registered in the names of two or more persons the Company shall not be bound to issue more than one certificate in respect thereof to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Where a member transfers part of the shares to which any certificate relates he shall be entitled to a certificate for the balance thereof without payment. Every certificate shall (subject where permitted by the <u>Statutes Companies Ordinance</u> to any resolution of the Board to the contrary) specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon and, where the share capital of the Company is divided into different classes of shares, shall contain such words and/or statement as are required by the <u>Statutes Companies Ordinance</u> .
18(A) – Variation of rights	Subject to the <u>Statutes Companies Ordinance</u> , the special rights attached to any class of shares for the time being forming part of the capital of the Company may be varied or abrogated either while the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the total voting rights of holders of shares in that class, or with the sanction of a Special Resolution passed at a separate meeting of holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons present in person or by proxy together at least holding one-third of the total voting rights of holders of shares in the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present any two holders of shares of the class present in person or by proxy shall be a quorum, whatever the number of shares held by them), and that every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll.
21 – Notice of call	Notice of the persons appointed to receive payment of every call and of the times and places appointed for payment, if required by the <u>Statutes Companies Ordinance</u> or determined by the Board, may be given to members by notice to be inserted in the newspapers or any other form of advertisement as the Board may determine.
25 – Power to differentiate amount and time of payment of call	The Board may, subject to the <u>Statutes Companies Ordinance</u> , make different arrangements on the issue of shares to different allottees or holders of such shares as to the amount of calls to be paid and the time of payment of such calls.

51 – Alteration of capital	The Company may from time to time alter its capital by any one or more ways as permitted by the Statutes <u>Companies Ordinance</u> .
52 – Reduction of share capital	The Company may reduce its share capital by Special Resolution and in accordance with the provisions of the Statutes <u>Companies Ordinance</u> .
53(A) – Power to purchase its own shares	Subject to the provisions of the Statutes <u>Companies Ordinance</u> and the Listing Rules, the Company may purchase or otherwise acquire its own shares. If the Company acquires its own shares, neither the Company nor the Board shall be required to select the shares to be acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class. Subject as aforesaid, such powers shall be exercisable by the Board upon such terms and subject to such conditions as it may think fit.
54 – Annual General Meeting	The Company shall in each financial year hold an Annual General Meeting in accordance with the requirements of the Statutes <u>Companies Ordinance</u> .
55 – Time and place of General Meetings	All General Meetings shall, subject to the Statutes <u>Companies Ordinance</u> and these Articles, be held at such time and place as the Board may determine.
56 – Meetings at two or more places	Any General Meeting <u>(including an annual general meeting or any adjourned or postponed meeting)</u> may be held as a <u>physical meeting in any part of the world and at one or more locations as provided in Article 67A, or as a Hybrid Meeting or as a Virtual Meeting, as may be determined by the Board in its absolute discretion at two or more place using any technology which enables the members who are not at the same place to listen, speak and vote at the meeting.</u>
57 – Power to convene a General Meeting	The Board may, whenever they think fit, convene a General Meeting. The Board may also convene a General Meeting, upon any requisition from the members made in accordance with the Statutes <u>Companies Ordinance</u> , or in default may be convened by such requisitionists in accordance with the Statutes <u>Companies Ordinance</u> . Any meeting convened by requisitionists as aforesaid shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

58 – Notice	<p>In the case of an Annual General Meeting, a twenty-one days’ notice at the least, and in the case of any other General Meeting, a fourteen days’ notice at the least, shall be given to all the members and to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify (a) the time and date of the meeting, (b) <u>save for a Virtual Meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 67A, the principal place of the meeting,</u> (c) <u>if the general meeting is to be held by means of a Hybrid Meeting or a Virtual Meeting, the notice shall include a statement with details of the electronic and/or communication facilities for attendance and participation by electronic means at the meeting,</u> (d) <u>the particulars of the resolutions to be considered at the meeting and, in case of special business, the general nature of the business, and (e) a statement that a Member entitled to attend and vote is entitled to appoint another person or persons as a proxy to attend and to vote at that meeting in accordance with Article 67A.</u> †The place, the date and the hour of the meeting and the general nature of the business to be dealt with at the meeting and such notice shall be given in the manner hereinafter mentioned. If the meeting is to be held in two or more places, the notice of meeting shall specify the principal place of the meeting and the other place or places of the meeting. Every notice of an Annual General Meeting shall specify the meeting as such.</p>
59 – Short notice	<p>A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the <u>Statutes Companies Ordinance</u>.</p>
61 – Circulation of members’ resolutions and statements	<p>The Company shall comply with the provisions of the <u>Statutes Companies Ordinance</u> and the Listing Rules in relation to giving notice of resolution and circulating statements on the requisitions of members.</p>
63(A) – Resolution requiring special notice	<p>When by any provision contained in the <u>Statutes Companies Ordinance</u> a special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as may be prescribed by the <u>Statutes Companies Ordinance</u>) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the <u>Statutes Companies Ordinance</u>.</p>

63(B) – Amendments to Resolutions	In the case of a resolution proposed as a Special Resolution, no amendment (other than a mere clerical amendment to correct a patent error or otherwise permitted by the <u>Statutes Companies Ordinance</u>) may be made, at or before the time at which the resolution is put to vote, to the form of the Special Resolution as set out in the notice of meeting.
63 (C) – Amendments to Resolutions	In the case of a resolution proposed as an Ordinary Resolution, no amendment (other than a mere clerical amendment to correct a patent error or otherwise permitted by the <u>Statutes Companies Ordinance</u>) may be made, at or before the time at which the resolution is put to vote, unless approved by the Board or the Chairman or, not less than forty-eight hours before the time fixed for the holding of the meeting at which the Ordinary Resolution is to be considered, notice of the amendment has been lodged at the Office Provided that the giving of the notice shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.
<u>64A – Right to speak</u>	<u>Subject to any rights or restrictions attached to any shares, all members have the right to (a) attend and speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.</u>
66 – Chairman of General Meeting	The Chairman, or in his absence the deputy Chairman, shall preside as chairman at every General Meeting; <u>The Chairman or deputy Chairman of a General Meeting (which includes a physical meeting, a Hybrid Meeting or a Virtual Meeting) may attend, preside as chairman at, and conduct proceedings of, such meeting by means of electronic facilities.</u> b But if there is no Chairman or deputy Chairman, or if neither of them is present within ten minutes after the time fixed for holding the meeting or if neither of them shall be willing to act as chairman of the meeting, the Directors present shall choose one of them to act as chairman of such meeting, and if there be no Director chosen who shall be willing to act, the members present in person and entitled to vote shall choose one of them to act as chairman at such meeting.
67 – Notice of adjournments	The chairman of the meeting may at any time adjourn the meeting to another time and/or place <u>and/or from one form to another (i.e., a physical meeting, a Hybrid Meeting or a Virtual Meeting)</u> if he considers that it would facilitate the conduct of the business of the meeting Provided that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more, seven days' notice at the least of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

<p><u>67A-67C – Holding of meeting as Hybrid Meeting or Virtual Meeting and administrative arrangements</u></p>	<p><u>67A</u></p> <p><u>(A) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“Meeting Location(s)”) determined by the Board at its absolute discretion. Any Member or any authorized representative or any proxy attending and participating in such way or any Member participating in a Virtual Meeting or a Hybrid Meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.</u></p> <p><u>(B) All general meetings are subject to the following, and where appropriate, all references to a “Member” or “Members” in this paragraph shall include a duly authorized representative or duly authorised representatives or a proxy or proxies respectively:</u></p> <p><u>(a) where a Member attends the general meeting at a Meeting Location and/or in the case of a Hybrid Meeting, the place of where the meeting is held shall be at the principal Meeting Location;</u></p> <p><u>(b) where Members attend the general meeting in person (in the case of a Member being a corporation, by its duly authorised representative) or by proxy at the Meeting Location(s) and/or Members participating in a Virtual Meeting or a Hybrid Meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members attending at all Meeting Locations and Members participating in a Virtual Meeting or a Hybrid Meeting by means of electronic facilities are able to (i) participate in the business for which the meeting has been convened; (ii) hear all persons who speak (whether by use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in all Meeting Locations; (iii) be heard by all other persons present at the meeting and (iv) have access in hard copy or electronic form to all documents which are required by the Companies Ordinance, the Listing Rules or other applicable laws, rules and regulations or this Articles to be made available at the meeting;</u></p>
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- (c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in a Virtual Meeting or a Hybrid Meeting by means of electronic facilities, a failure (for any reason) of such electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the principal Meeting Location to participate in the meeting after the meeting has been convened or in the case of a Virtual Meeting or a Hybrid Meeting, the inability of one or more Members to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting. All persons seeking to attend and participate a Hybrid Meeting by means of electronic facilities shall be responsible for maintaining adequate facilities for enabling them to do so; and
- (d) if any of the Meeting Locations is outside Hong Kong and/or in the case of a Hybrid Meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the principal Meeting Location; and in the case of a Virtual Meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

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Without prejudice to other provisions in Article 67A, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

	<p><u>67C</u> <u>The Board and, at any general meeting, the Chairman may make any arrangement and impose any requirement or restriction the Board or the Chairman, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the Meeting Location(s), obeying any precautionary measures and regulations in relation to prevention and control of spread of disease and determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises and/or the electronic facilities at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.</u></p>
68 – method of voting	<p>Every question<u>resolution</u> put to the vote at a General Meeting shall be determined in the first instance by a show of hands of the members present in person unless voting by poll is required by the <u>Statutes Companies Ordinance</u> or the Listing Rules or a poll is demanded (before or upon the declaration of the result of the show of hands) by:–</p> <p>(A) the chairman of the meeting;</p> <p>(B) not less than five members present in person or by proxy having the right to vote at the meeting; or</p> <p>(C) a member or members present in person or by proxy representing not less than five per cent. of the total voting rights of all the members having the right to vote at the meeting,</p> <p>Provided that if the chairman of the meeting, before or on the declaration of the result of a show of hands, knows from the proxies received by the Company that the result on a show of hands will be different from that on a poll, the chairman shall demand a poll.</p>

76 – Voting rights	<p>Subject to any special rights or restrictions as to voting attached to any shares by these Articles and to the provisions of the <u>Statutes Companies Ordinance</u> and the Listing Rules, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is represented by its corporate representative or in accordance with the <u>Statutes Companies Ordinance</u> shall have one vote <u>for every share of which he is the holder and which is fully paid up or credited as fully paid (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share)</u>. If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on the resolution on a show of hands. On a poll every member present in person or by proxy or (being a corporation) is represented by its corporate representative or by proxy shall have one vote for every share held by him.</p>
92 – Alternate Directors	<p>Any Director (other than an alternate Director) may at any time and from time to time appoint any other Director or appoint any other person approved by a majority of the other Directors for the time being to be his alternate, and may at any time remove any alternate Director appointed by him and (subject to such approval as aforesaid) appoint another in his place. An alternate Director shall not be entitled to receive any remuneration from the Company, nor shall it be necessary for him to acquire or hold any share qualification, but he shall be entitled (subject to his giving to the Company an address within Hong Kong at which notices may be served on him) to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of the Director appointing him. A Director who is also an alternate Director shall be entitled in addition to his own vote to a separate vote on behalf of the Director appointing him. An alternate Director may be removed from office by a resolution of the Board, and shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director Provided that if any Director retires at a General Meeting but is re-elected by the meeting or is, pursuant to the provisions of these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Without prejudice to any liability which an alternate Director may have to his appointer under the <u>Statutes Companies Ordinance</u> or otherwise, every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. All appointments and removals of alternate Directors made by any Director in pursuance of this Article shall be in writing under the hand of the Director making the same and shall be sent to or left at the Office.</p>

96(A) – Vacation of office	<p>Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:–</p> <ul style="list-style-type: none"> (i) if he resigns from his office by notice in writing delivered to the Office or submitted to a meeting of the Board; (ii) if he becomes of unsound mind or a patient for the purposes of any legislation (whether in Hong Kong or elsewhere) relating to mental health and the Board resolves that his office be vacated; (iii) if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolves that his office be vacated; (iv) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; (v) if he ceases to be a director under the <u>Statutes Companies Ordinance</u> or is prohibited by law from being a Director; (vi) if he is removed from office by an Ordinary Resolution pursuant to these Articles; (vii) if all the other Directors unanimously resolve that he be removed as a Director pursuant to these Articles.
98(A) – Disclosure of interests	<p>A Director or any of his associates or any entity connected with him who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement (for purpose of this Article collectively referred to as “transaction”) with the Company shall, if such transaction is significant to the business of the Company and the interest of the Director or any of his associates or any entity connected with him is material, declare the nature and extent of such interest in accordance with the <u>Statutes Companies Ordinance</u> and these Articles as well as any requirements prescribed by the Company for declarations of interests of Directors in force from time to time.</p>

98(M) – Directors’ interests and offices under the Company	Subject to the provisions of the <u>Statutes Companies Ordinance</u> , a Director may hold any other office or place of profit under the Company (other than the office of the Auditors) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine. No Director or intended Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
99 – Board’s power to borrow and give security	The Board on behalf of the Company may exercise all the powers of the Company to borrow any sum or sums of money, to guarantee and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and (subject to the provisions of the <u>Statutes Companies Ordinance</u> regarding authority to allot debentures convertible into shares) to create and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
100 – Register of charges	The Board shall cause a proper register to be kept in accordance with the provisions of the <u>Statutes Companies Ordinance</u> of all charges specifically affecting property of the Company and of all floating charges on the whole or part of any undertaking or property of the Company and shall duly comply with the requirements of the <u>Statutes Companies Ordinance</u> in regard to the registration of charges therein specified.
101 – To manage Company’s business	The business of the Company shall be managed by the Board, who may exercise all such powers of the Company and do on behalf of the Company all such acts as are within the scope of these Articles and as are not, by the <u>Statutes Companies Ordinance</u> or by these Articles, required to be exercised or done by the Company in General Meeting, subject, nevertheless, to the provisions of the <u>Statutes Companies Ordinance</u> and to these Articles and any directions, being not inconsistent with the <u>Statutes Companies Ordinance</u> and these Articles, as may be prescribed by the Company in General Meeting, but so that no such direction and no alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been given or made.
103(D) – Branch Register	The Company or the Board on behalf of the Company may exercise the powers conferred by the <u>Statutes Companies Ordinance</u> with regard to the keeping of a branch register in any place.

104 – Retirement of Directors	Subject to the provisions of these Articles, at every Annual General Meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, or such number as determined by the other manner of rotation, as may be required by the <u>Statutes Companies Ordinance</u> or the Listing Rules, shall retire from office. A retiring Director shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.
105 – Selection of Directors for re-election	Subject to the provisions of the <u>Statutes Companies Ordinance</u> , the Listing Rules and these Articles and unless otherwise determined by the Company by an Ordinary Resolution, the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between the Directors of equal seniority, the Directors to retire shall (unless they agree otherwise amongst themselves) be selected from among them by lot. A retiring Director shall be eligible for re-election.
111(A) – Company’s power to remove Directors and appoint others in their stead	The Company may by Ordinary Resolution remove any Director (<u>including a managing or other executive Director</u>) before the expiration of his period of office without prejudice to any claim he may have for damages under any contract between him and the Company and may by Ordinary Resolution appoint another person to be a Director in his stead. A special notice is required of the Ordinary Resolution to remove a Director or to appoint a person in place of a Director so removed in accordance with the provisions of the <u>Statutes Companies Ordinance</u> .
112 – Registers of Directors and Secretary, <u>the Register, Charges and Interests in Shares and Short Positions</u>	<p>The Company shall keep at the Office (or such prescribed place in accordance with the <u>Statutes Companies Ordinance</u>) and make available for inspection as required by the <u>Statutes Companies Ordinance</u>:-</p> <p>(a) a register of the Directors and Secretary;</p> <p>(b) <u>the Register (except when the Register is closed)</u>;</p> <p>(bc) a register of charges in accordance with the Companies Ordinance;</p> <p>(cd) a register of Directors’ and chief executive’s interests and short positions in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and</p> <p>(de) a register of interests in shares and short positions in accordance with the said Securities and Futures Ordinance.</p>

113(A) – Board’s power to appoint executive Directors	Subject to the <u>Statutes Companies Ordinance</u> and the Listing Rules, the Board may from time to time appoint one or more of the Directors to any executive office on such terms (including directors’ fees) and for such period as it may think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment.
122(C) – Resolutions in writing	<p>Notwithstanding any contrary provisions contained in these Articles and subject to the <u>Statutes Companies Ordinance</u>:-</p> <p>(i) any signature of a Director or (as the case may be) a member of a committee of the Board to any resolution in writing may be made electronically, and any such resolution bearing the electronic signature of any Director or (as the case may be) any member of a committee of the Board shall be as valid and effectual as if it were bearing the handwritten signature of the relevant Director or member; and</p> <p>(ii) any signification of agreement to resolution in writing by a Director or (as the case may be) a member of a committee of the Board authenticated as aforesaid shall be as valid and effectual as if the resolution had been signed by such Director or member, and a certificate by a Director or the Secretary of such signification and authentication shall be sufficient evidence without further proof thereof.</p>
127 – Authority of Assistant and Deputy Secretaries	Anything required or authorised by the <u>Statutes Companies Ordinance</u> to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting be done by or to any officer of the Company authorised generally or specially in that behalf by the Board Provided that any provision of these Articles or the <u>Statutes Companies Ordinance</u> requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

128 (A) – Safe custody and formalities for affixing Seal	<p>The Board shall provide for the safe custody of the Seal and any Securities Seal <u>and may determine whether any document or instrument to which the Seal or the Securities Seal is affixed. If the Seal or the Securities Seal is to be affixed, and neither it shall only be used without the general or special authority of the Board or of a Committee of the Board authorised by the Board on that behalf and every document or instrument to which such Seal or Securities Seal (subject to the provisions of these Articles in relation to certificates for shares, warrants or debentures) is affixed shall be signed by:</u></p> <p>(i) two Directors; or</p> <p>(ii) one Director and the Secretary; or</p> <p>(iii) one Director/the Secretary and any <u>two other persons</u> duly authorised by the Board <u>or a Committee of the Board.</u></p>
128(B) – Official seal for use abroad	<p>The Company may have an official seal for use abroad under the provisions of the <u>Statutes Companies Ordinance</u>, where and as the Board may determine, and the Company may by writing under the Seal appoint any agent or agents, committee or committees abroad to be the duly authorised agent of the Company for the purpose of the affixing and using of such official seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.</p>
128 (D) – Execution of documents deeds without affixing common seal	<p><u>The Company may also, in accordance with the Companies Ordinance, execute deeds in writing and A document signed by two Directors or by one Director and the Secretary or by two Directors or by any two persons duly authorized by the Board or a Committee of the Board, without affixing the Seal and expressed (in whatever words) to be executed by the Company shall have the same effect as if executed under the Seal.</u></p>
130 – Declaration of dividends	<p>The profits of the Company available for dividend in accordance with the provisions of the <u>Statutes Companies Ordinance</u> and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company may by Ordinary Resolution declare dividends except that no such dividends shall exceed the amount recommended by the Board.</p>

133 – Interim dividends	Subject to the provisions of the <u>Statutes Companies Ordinance</u> , the Board may, if it thinks fit, from time to time declare and pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends, in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend, and provided that the Board acts bona fide it shall not incur any responsibility to the holders of shares conferring any preference for any damage they may suffer by reason of the payment of any interim dividend on any shares having deferred or non-preferential rights. The Board may also pay half-yearly or at other suitable intervals as may be determined by the Board any dividend payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.
141 – Books of account	The Board shall cause proper books of account to be kept in accordance with the provisions of the <u>Statutes Companies Ordinance</u> . Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
142 – Accounting records	The accounting records shall be kept at the Office, or subject to the provisions of the <u>Statutes Companies Ordinance</u> , at such other place as the Board shall think fit, and shall at all times be open to the inspection of the Directors but no member (not being a Director) shall have any right to inspect any book, account or document of the Company, except as conferred by the <u>Statutes Companies Ordinance</u> , or authorised by the Board or by an Ordinary Resolution of the Company.
143 – Reporting documents to be laid before the Company in General Meeting	The Board shall from time to time, in accordance with the provisions of the <u>Statutes Companies Ordinance</u> , cause to be prepared and to be laid before the Company in General Meeting a copy of the reporting documents for the financial year as are required by the <u>Statutes Companies Ordinance</u> . The Board may also cause to be prepared any summary financial report as it may think fit in accordance with the provisions of the <u>Statutes Companies Ordinance</u> .

144(A) – Delivery of reports and accounts	A printed copy of the reporting documents or the summary financial report shall, not less than twenty-one days before the Annual General Meeting, be delivered or sent by post to the registered address of every member, to the Auditors, and to every other person who is entitled to receive notices of meetings of the Company under the provisions of the <u>Statutes Companies Ordinance</u> or these Articles (for purpose of this Article, each as an “Eligible Person”) and the required number of copies of each of these documents shall at the same time be forwarded to the Stock Exchange Provided that this Article shall not require a copy of such documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.
144(B) – Delivery of reports and accounts	Where any Eligible Person has, in accordance with the <u>Statutes Companies Ordinance</u> and the Listing Rules, consented or is deemed to have consented to treat the publication of the reporting documents or summary financial report on the Company’s website or the delivery of such documents in electronic form to the Eligible Person as discharging the Company’s obligation under the <u>Statutes Companies Ordinance</u> to send a printed copy of the relevant reporting documents or summary financial report, then subject to compliance with the publication and notification requirements under the <u>Statutes Companies Ordinance</u> and the Listing Rules, publication by the Company on its website of the reporting documents or summary financial report, or delivery of such documents in electronic form to the Eligible Person at least twenty-one days before the date of the meeting shall, in relation to such Eligible Person, be deemed to have discharged the Company’s obligations under paragraph (A) above.
146 – Auditors	<u>The appointment and removal of Auditors shall be appointed approved by a majority of the members and their duties shall be regulated in accordance with the provisions of the Statutes Companies Ordinance. Subject as otherwise provided by the Companies Ordinance, the remuneration of the Auditors shall be fixed by the Company by Ordinary Resolution in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.</u> Subject to the <u>Statutes Companies Ordinance</u> , all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or he was at the time of appointment not qualified or subsequently became disqualified.

148 – Notices	<p>A notice or other document may, in accordance with these Articles and subject to the Statutes <u>Companies Ordinance</u> and the Listing Rules, be served or delivered or made available by the Company on or to any member:–</p> <ul style="list-style-type: none"> (i) personally; or (ii) by prepaid post addressed to such member at his registered address as appearing in the Register; or (iii) by advertisement in one English newspaper and one Chinese language newspaper circulating in Hong Kong; or (iv) by sending it in electronic form or by electronic means to such person at the address specified by him to the Company for such purpose; or (v) by making it available on the Company’s website; or (vi) by any other means as permitted by the Statutes <u>Companies Ordinance</u> and the Listing Rules from time to time, <p>Provided that in case of paragraphs (iv) and (v) above, such member has consented or deemed to have consented in the manner permitted in the Statutes <u>Companies Ordinance</u> and the Listing Rules to the Company communicating with him in such form or manner.</p> <p>For the purposes of making available any notices or documents to a member on the Company’s website, the Company shall notify such member that the notice or document has been made available on the Company’s website in the manner prescribed by the Statutes <u>Companies Ordinance</u> and the Listing Rules.</p>
<u>154A – Winding up of the Company</u>	<p><u>The Company may be wound up subject to the provisions of the Companies Ordinance, not less than seventy-five per cent of the total voting rights of all the members having the right to vote at the meeting shall be required to approve a voluntary winding up of the Company.</u></p>
155(A) – Indemnity of Directors and officers	<p>Subject to the provisions of the Statutes <u>Companies Ordinance</u>, every Director, Secretary or other officer of the Company and every member of a committee of the Board shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution or holding of his office or otherwise in relation thereto.</p>

155(B) – Indemnity of Directors and officers	Any indemnity provision given by the Company for the benefit of any Director is subject to disclosure in the relevant Directors’ report in accordance with the provisions of the <u>Statutes Companies Ordinance</u> . The Company shall also keep at the Office a copy, or document setting out the terms, of such indemnity provision which shall be made available for inspection by members in accordance with the provisions of the <u>Statutes Companies Ordinance</u> .
156 – Insurance for Directors and officers	To the extent permitted by the <u>Statutes Companies Ordinance</u> , the Company may purchase and maintain at its expense for any Director, Secretary or officer of the Company or any director of an associated company of the Company any insurance against any liability.
<u>AMENDMENTS TO THE ARTICLES</u> <u>157 – Amendments to the Articles</u>	Subject to the provisions of the <u>Companies Ordinance</u> , not less than <u>seventy-five per cent. of the total voting rights of the Company’s members in a general meeting shall be required to approve changes to these Articles.</u>

NOTICE OF ANNUAL GENERAL MEETING



(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Vitasoy International Holdings Limited (the “Company”) will be held at Salons 5-6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28th August, 2023 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st March, 2023;
2. To approve the payment of a final dividend in respect of the year ended 31st March, 2023;
3.
 - (a) To re-elect Dr. Roy Chi-ping CHUNG as an Independent Non-executive Director;
 - (b) To re-elect Ms. Yvonne Mo-ling LO as a Non-executive Director;
 - (c) To re-elect Mr. Peter Tak-shing LO as a Non-executive Director;
 - (d) To re-elect Ms. May LO as a Non-executive Director;
 - (e) To re-elect Mr. Eugene LYE as an Executive Director;
 - (f) To determine the remuneration of the Directors;
4. To appoint Auditors and authorise the Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:
 - A. **“THAT** there be granted to the Directors of the Company an unconditional general mandate to issue, allot and deal with additional shares of the Company (“Shares”), and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of Shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; and (iii) an issue of Shares pursuant to the exercise of any options which may be granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, shall not exceed the aggregate of (aa) 10 per cent of the aggregate number of Shares of the Company in issue at the date of passing of this resolution plus (bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares of the Company bought-back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent of the aggregate number of Shares of the Company in issue at the date of passing of this resolution), and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next AGM;
- (ii) the expiration of the period within which the next AGM is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in General Meeting.

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

NOTICE OF ANNUAL GENERAL MEETING

- B. “**THAT** there be granted to the Directors of the Company an unconditional general mandate to buy-back Shares, and **THAT** the exercise by the Directors of the Company of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period (which shall have the same meaning for the purpose of this resolution, mutatis mutandis, as given in paragraph (c) of Resolution 5A set out in the Notice of AGM);
 - (b) such mandate shall authorise the Directors of the Company to procure the Company to buy-back Shares at such prices as the Directors of the Company may at their discretion determine; and
 - (c) the aggregate number of Shares bought-back or agreed to be bought-back by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate number of Shares of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly.”
- C. “**THAT**, conditional upon the passing of Resolutions 5A and 5B set out in the Notice of AGM, the aggregate number of Shares which are bought-back by the Company pursuant to and in accordance with Resolution 5B set out in the Notice of AGM shall be added to the aggregate number of Shares which may be allotted or agreed, conditionally or unconditionally, to be allotted by the Directors of the Company pursuant to and in accordance with Resolution 5A set out in the Notice of AGM”.
- D. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, Shares which may fall to be allotted and issued pursuant to the awards (the “Awards”) granted under the share award scheme adopted by the Company on 22nd March, 2021 as amended from time to time (the “Share Award Scheme”):
- (a) the proposed amendments (the “Proposed Award Scheme Amendments”) to the terms of the Share Award Scheme, including, *inter alia*, the scheme mandate limit of the Share Award Scheme, as set out in the circular of the Company dated 21st July, 2023 and shown in the mark-up version of the Share Award Scheme, a copy of which is available for inspection as detailed in the circular and produced to this meeting marked “A” and for the purposes of identification initialled by the chairman of the meeting, be and are hereby approved;
 - (b) the Proposed Award Scheme Amendments shall apply to the outstanding Awards granted under the Share Award Scheme which remain unvested as at the date of the 2023 AGM and Awards to be granted under the amended Share Award Scheme with effect from the date of the 2023 AGM; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the implementation of the amended Share Award Scheme reflecting all the Proposed Award Scheme Amendments.”

E. **“THAT**

- (a) the proposed amendments (the “Proposed Option Scheme Amendments”) to the terms of the share option scheme of the Company adopted on 30th August, 2022 (the “Share Option Scheme”), including, *inter alia*, the scheme mandate limit of the Share Option Scheme, as set out in the circular of the Company dated 21st July, 2023 and shown in the mark-up version of the Share Option Scheme, a copy of which is available for inspection as detailed in the circular and produced to this meeting marked “B” and for the purposes of identification initialled by the chairman of the meeting, be and are hereby approved;
- (b) the Proposed Option Scheme Amendments shall apply to the outstanding options granted under the Share Option Scheme which remain unexercised as at the date of the 2023 AGM and options to be granted under the amended Share Option Scheme with effect from the date of the 2023 AGM; and
- (c) the Directors be and are hereby authorised to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the implementation of the amended Share Option Scheme reflecting all the Proposed Option Scheme Amendments.”

6. As special business, to consider and, if thought fit, to pass with or without amendments, the following resolutions as a Special Resolution:

“THAT the amended and restated articles of association of the Company (incorporating the proposed amendments to the existing articles of association of the Company, the details of which are set out in Appendix IV to the circular of the Company dated 21st July, 2023) (the “Amended and Restated Articles”), a copy of which has been produced to this meeting and marked “C” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company with immediate effect after the close of this meeting, and **THAT** any Director or the Company Secretary of the Company be and is hereby authorized to do all such acts and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion deemed necessary or expedient to give full effect to the adoption of the Amended and Restated Articles.”

By Order of the Board
Paggie Ah-hing TONG
Company Secretary

Hong Kong, 21st July, 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
 2. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company Secretary at the Registered Office of the Company at No. 1 Kin Wong Street, Tuen Mun, New Territories, Hong Kong not less than 48 hours (excluding any part of a day that is a public holiday) before the appointed time for holding the AGM or any adjournment hereof (as the case may be).
 3. The register of members of the Company will be closed as follows:
 - (a) **For determining eligibility to attend and vote at the AGM:**
 - Latest time to lodge transfer documents for registration with the Company's Share Registrar At 4:30 p.m. on 22nd August 2023
 - Closure of the Company's Register of Members 23rd August 2023 to 28th August 2023 (both dates inclusive)
 - Record date 28th August 2023
 - (b) **For determining entitlement to the proposed final dividend:**
 - Latest time to lodge transfer documents for registration with the Company's Share Registrar At 4:30 p.m. on 4th September 2023
 - Closure of the Company's Register of Members 5th September 2023 to 7th September 2023 (both dates inclusive)
 - Record date 7th September 2023
- During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than the aforementioned latest time.
4. In relation to proposed Resolution 5A above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the rules of the 2021 Share Award Scheme and the 2022 Share Option Scheme.
 5. In relation to proposed Resolution 5B above, the Directors wish to state that they will exercise the powers conferred thereby to buy-back 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 the circular dated 21st July, 2023.
 6. All Resolutions will be conducted by way of a poll.

NOTICE OF ANNUAL GENERAL MEETING

7. If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force at any time after 8:00 a.m. on the day of the AGM, then the AGM will be postponed and the shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the websites of the Stock Exchange and the Company.

The AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the AGM under bad weather conditions bearing in mind their own situations and, if they do so, they are advised to exercise care and caution.