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



WANJIA GROUP HOLDINGS LIMITED **萬嘉集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

PROPOSALS FOR

- (1) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES;**
- (2) RE-ELECTION OF RETIRING DIRECTORS;**
- (3) TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME;**
- AND**
- (4) NOTICE OF THE ANNUAL GENERAL MEETING**

Unless the context requires otherwise, terms used in this cover shall have the same meaning as those in the circular.

A notice convening the annual general meeting (the “AGM”) of the Company to be held at 11:00 a.m. on Friday, 8 September 2023 at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong is set out on pages 44 to 50 of this circular.

Whether or not Shareholders are able to attend the AGM, Shareholders are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it either with the Company’s principal place of business in Hong Kong at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong or the Company’s share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (i.e. 11:00 a.m. on Wednesday, 6 September 2023 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM (or any adjournment thereof) should they so desire and in such event, the form of proxy shall be deemed to be revoked.

26 July 2023

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional
“AGM”	the annual general meeting of the Company to be convened and held at 11:00 a.m. on Friday, 8 September 2023 at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong or any adjournment thereof
“Articles”	the articles of association of the Company as amended and restated, supplemented or modified from time to time
“associates”	the same definition as ascribed to it in the Listing Rules
“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
“close associate”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, modified and supplemented from time to time
“Company”	Wanjia Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the Employee Participant(s) provided that the Board may have absolute discretion to determine whether or not one falls within the above category

DEFINITIONS

“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of the Company of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group
“Exercise Price”	with respect to a particular Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Option
“Existing Share Option Scheme”	the existing share option scheme adopted and approved by the sole shareholder of the Company on 24 September 2013
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares not exceeding 20% of the number of the issued Shares as at the date of granting of the General Mandate which is to be extended by the number of Shares purchased pursuant to the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

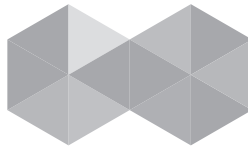
DEFINITIONS

“New Share Option Scheme”	the new share option scheme set out in Appendix III to this circular proposed to be adopted by the Shareholders by way of ordinary resolution at the AGM
“Notice”	the notice of the AGM
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	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)
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of issued Shares as at the date of granting of the Repurchase Mandate

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended from time to time)
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



WANJIA GROUP
萬嘉集團

WANJIA GROUP HOLDINGS LIMITED **萬嘉集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

Executive Director:

Mr. Wang Jia Jun

Non-executive Director:

Dr. Xiao Zhixin

Independent non-executive Directors:

Mr. Wong Hon Kit

Dr. Liu Yongping

Mr. Ho Man

Registered office:

Second Floor

Century Yard, Cricket Square

P.O. Box 902

Grand Cayman, KY1-1103

Cayman Islands

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

Suite 1801, 18/F, Tower 1

The Gateway, Harbour City

25 Canton Road

Kowloon, Hong Kong

26 July 2023

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR

(1) GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES;

(2) RE-ELECTION OF RETIRING DIRECTORS;

(3) TERMINATION OF EXISTING SHARE OPTION SCHEME AND

ADOPTION OF NEW SHARE OPTION SCHEME;

AND

(4) NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to certain resolutions to be proposed at the forthcoming AGM to be held at 11:00 a.m. on Friday, 8 September 2023 at Suite 1801, 18/F, Tower 1 The Gateway, Harbour City 25 Canton Road Kowloon, Hong Kong, including but not limited to (i) the grant of General Mandate (including the extended General Mandate) and Repurchase Mandate to the Directors for the issue and repurchase of its Shares; (ii) the re-election of retiring Directors; and (iii) the termination of the Existing Share Option Scheme and the adoption of New Share Option Scheme.

LETTER FROM THE BOARD

2. GENERAL MANDATE AND REPURCHASE MANDATE

The existing general mandate granted to the Directors to allot and issue new Shares and to repurchase Shares at the annual general meeting of the Company held on 9 September 2022 will lapse at the conclusion of the AGM.

At the AGM, ordinary resolutions will be proposed to the Shareholders: (a) approving the grant of the General Mandate to the Directors to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing such resolution; (b) approving the grant of the Repurchase Mandate to the Directors to repurchase, inter alia, Shares, the number of which does not exceed 10% of the total number of issued Shares as at the date of passing such resolution; and (c) adding to the total number of Shares which may be allotted, issued or dealt in under the General Mandate the number of Shares repurchased by the Company under the Repurchase Mandate.

General Mandate

As at the Latest Practicable Date, the number of issued Shares was 560,222,136 Shares. At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be given a general and unconditional mandate to exercise all powers of the Company to allot, issue and deal with the Shares up to 20% of the total number of issued Shares on the date of the passing of the ordinary resolution (i.e. the General Mandate). Assuming that the number of issued Shares remains at 560,222,136 Shares on the date of the passing of the ordinary resolution, the maximum number of Shares which may be issued pursuant to the General Mandate will be 112,044,427 Shares. If the Company conducts a share consolidation or subdivision after the General Mandate is granted, the maximum number of Shares that can be issued under the General Mandate will be adjusted so that such maximum number of Shares as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision will be the same.

In addition, it is further proposed, by way of a separate ordinary resolution that the General Mandate be extended by adding the number of Shares repurchased under the Repurchase Mandate. Any issue of new Shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal in such new Shares.

The General Mandate, if approved, will continue to be in force until the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the Company is required by the applicable laws of the Cayman Islands or the Articles to hold its next annual general meeting; or (c) the General Mandate being revoked or varied by an ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company, whichever occurs first.

LETTER FROM THE BOARD

Repurchase Mandate

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed, shares up to a maximum of 10% of the Shares in issue at the date of passing of the ordinary resolution (i.e. the Repurchase Mandate). Assuming that the number of issued Shares remains at 560,222,136 Shares on the date of the passing of the ordinary resolution, the maximum number of Shares which may be repurchased pursuant to the General Mandate will be 56,022,213 Shares. If the Company conducts a share consolidation or subdivision after the Repurchase Mandate is granted, the maximum number of Shares that can be repurchased under the Repurchase Mandate will be adjusted so that such maximum number of Shares as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision will be the same.

The Repurchase Mandate, if approved, will continue to be in force until the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the Company is required by the applicable laws of the Cayman Islands or the Articles to hold its next annual general meeting; or (c) the Repurchase Mandate being revoked or varied by an ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company, whichever occurs first.

The Company may only repurchase its Shares on the Stock Exchange if:

- (i) the Shares proposed to be repurchased by the Company are fully paid up;
- (ii) the Company has previously sent to the Shareholders the explanatory statement set out in the Appendix I to this circular; and
- (iii) the Shareholders have in general meeting approved the Repurchase Mandate and the relevant documents in connection therewith have been delivered to the Stock Exchange.

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

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. According to Article 84(2) of the Articles, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires.

Pursuant to Article 84 of the Articles, Mr. Wang Jia Jun (“**Mr. Wang**”) and Dr. Liu Yongping (“**Dr. Liu**”) will retire from office at the AGM and, being eligible, each of them will offer himself for re-election as an executive Director or an independent non-executive Director at the AGM (as the case may be).

The nomination and corporate governance committee of the Company has reviewed the re-election of the retiring Directors and recommended the re-election of Mr. Wang as executive Director and Dr. Liu as independent non-executive Directors in the AGM. The nominations were made in accordance with the nomination policy of the Company and the objective criteria for the nominations include but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the board diversity policy of the Company.

Mr. Wang was appointed as an executive Director since August 2018 and the chief executive officer of the Company (the “**Chief Executive Officer**”) since April 2020. Mr. Wang is responsible for setting the Company’s corporate strategy development, capital operations, and operations management.

Dr. Liu was appointed as an independent non-executive Director since February 2014. Pursuant to Code Provision B.2.3 of the Corporate Governance Code under Appendix 14 to the Listing Rules, if an independent non-executive Director has served more than nine years, such Director’s further appointment should be subject to a separate resolution to be approved by the Shareholders, hence Dr. Liu’s re-election will be subject to a separate resolution to be approved by the Shareholders at the AGM. In view of Dr. Liu having served as an independent non-executive Director for more than nine years, the Board took into consideration Dr. Liu’s valuable contributions, impartial opinions and independent guidance over the years at office, the continuing demonstration of his character, integrity and experience, and is of the view that Dr. Liu has and will continue to maintain his independence and will be able to continue to discharge his role as an independent non-executive Director effectively and independently. The Board is also of the view that Dr. Liu’s in-depth understanding of the Group’s business operations and his extensive experience and expertise in the areas of corporate finance and accounting can continue to bring a wide spectrum of insights to the Board and is in the best interests of the Company and the Shareholders as a whole. The Company has received from Dr. Liu a confirmation of independence according to Rule 3.13 of the Listing Rules, and Dr. Liu did not engage in any executive management of the Group.

LETTER FROM THE BOARD

Taking into considerations their diverse experience and background, the Board considered that the re-election of Mr. Wang and Dr. Liu as executive Director or independent non-executive Director (as the case may be) will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

Particulars of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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

The Existing Share Option Scheme

The Existing Share Option Scheme adopted by the Company on 24 September 2013 will be expired on the tenth anniversary of its adoption, i.e. 24 September 2023. No further options can be offered or granted upon the expiration of the Existing Share Option Scheme. In anticipation of the expiry of the Existing Share Option Scheme, the Board proposes to adopt the New Share Option Scheme in accordance with Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, there were 30,473,892 Share Options granted under the Existing Share Option Scheme which remain outstanding or unexercised, details of which are as follows:

Directors Name and category of grantee	Date of grant	Number of outstanding Share Options as at the Latest Practicable Date	Exercise period	Exercise Price (HK\$)
Mr. Wang	26 October 2018	1,293,413	26 October 2018 – 26 October 2028	0.668
	24 April 2020	2,500,000	24 April 2020 – 24 April 2030	0.190
Mr. Wong Hon Kit (“Mr. Wong”)	26 October 2018	40,419	26 October 2018 – 26 October 2028	0.668
	24 April 2020	100,000	24 April 2020 – 24 April 2030	0.190
Dr. Liu	26 October 2018	40,419	26 October 2018 – 26 October 2028	0.668
	24 April 2020	100,000	24 April 2020 – 24 April 2030	0.190
Mr. Ho Man (“Mr. Ho”)	26 October 2018	40,419	26 October 2018 – 26 October 2028	0.668
	24 April 2020	100,000	24 April 2020 – 24 April 2030	0.190
Total		4,214,670		

LETTER FROM THE BOARD

Directors Name and category of grantee	Date of grant	Number of outstanding Share Options as at the Latest Practicable Date	Exercise period	Exercise Price (HK\$)
Employees	26 October 2018	11,689,222	26 October 2018 – 26 October 2028	0.668
	24 April 2020	14,570,000 <i>(note)</i>	24 April 2020 – 24 April 2030	0.190
Total		<u>26,259,222</u>		
Grand total		<u><u>30,473,892</u></u>		

Note:

Among the 3,900,000 share options granted to the employees of the Company's subsidiaries in the PRC, these share options are exercisable in the following manner:

- (i) up to 30% of the share options granted to each grantee shall be exercisable on or after 24 April 2020 to 23 April 2021;
- (ii) up to further 30% of the share options granted to each grantee shall be exercisable on or after 24 April 2021 to 23 April 2022; and
- (iii) all the remaining 40% of the share options granted to each grantee shall be exercisable on or after 24 April 2022 to 23 April 2023, and in each case, not later than 24 April 2030.

Adoption of the New Share Option Scheme

In anticipation of the expiry of the Existing Share Option Scheme on 24 September 2023 and the amendments to Chapter 17 of the Listing Rules, which took effect on 1 January 2023, the Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in long term planning of granting of the Options to Eligible Participant(s) and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

LETTER FROM THE BOARD

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants and for such other purposes as the Board may approve from time to time, and to provide the Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

The Rules set out the basis for determining the Exercise Price (as described in paragraph 6 in Appendix III) and provide that the Company may specify the date or dates on which an Option will vest or may be exercised in the grant of an Option (as described in paragraph 5 in Appendix III). The Rules enable the Company to grant Option(s) to Participants. The Directors are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to employees to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Board may determine the Eligible Participants' eligibility in its sole discretion by considering all relevant factors as appropriate before granting Options to them (as described in paragraph 3 in Appendix III).

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants only.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group and (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In respect of the eligibility of Employee Participants, the Board will consider, amongst others, (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group; and (iv) the individual contribution or potential contribution to the development and growth of the Group.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company intended to grant Share Options to the Directors and employees as incentive under the existing Share Option Scheme before the forthcoming AGM. Notwithstanding the Company's intention, the Directors do not work out the detailed list of the Grantee and the number of options to be granted. Save as disclosed, the Company does not have other concrete plan to grant Options under the New Share Option Scheme. Should the Company grant any Share Options before the forthcoming AGM, the Company will publish further announcement to update the Shareholders about the information on the then latest outstanding Share Options.

The Company has sought legal advices in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme would not constitute offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

Based on the above, the Board considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

Conditions Precedent of the New Share Option Scheme

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

- (a) the Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of an ordinary resolution at the AGM approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

LETTER FROM THE BOARD

Under the New Share Option Scheme, the Board may at its discretion specify any condition, such as performance targets, in the offer letter of the grant of the relevant Option which must be satisfied before an Option may be exercised. Such performance targets may include financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantees and/or selected Eligible Participants and such other goals as the Board may determine from time to time. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, the New Share Option Scheme does not stipulate any performance target a Grantee is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme.

The New Share Option Scheme provides clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. Particular details of the clawback mechanism are set out in paragraphs 13 to 20 and 27 in the Appendix III to this circular. Save as disclosed, the New Share Option Scheme does not prescribe any other clawback mechanism. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

As at the Latest Practicable Date, the number of issued Shares was 560,222,136 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 56,022,213 Shares, representing approximately 10% of the issued share capital of the Company on the date of approval of the New Share Option Scheme.

LETTER FROM THE BOARD

None of the Directors is and will be trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the AGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

Explanation of the terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix III to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The Exercise Price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant. The New Share Option Scheme provides clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. Particular details of the clawback mechanism are set out in paragraphs 13 to 20 and 27 in the Appendix III to this circular. Save as disclosed, the New Share Option Scheme does not prescribe any other clawback mechanism. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

LETTER FROM THE BOARD

Save for the circumstances prescribed in paragraph 5 of Appendix III to this circular, the vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of this New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Options holder(s), such as those set out in paragraphs 5(a) to (c) of Appendix III to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 5 of Appendix III to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

It is believed that subject to the Listing Rules and the rules of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the Exercise Price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the New Share Option Scheme. The Company will make relevant disclosure by way of announcement(s) to comply with Rule 17.06B of the Listing Rules when granting the Options to the Eligible Participants in the future.

LETTER FROM THE BOARD

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of the granting of such Options, the period during which the subscription rights may be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options if granted will be exercised by the holders of the Option. Accordingly, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

Document on display

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.wanjia-gp.com for a period of not less than 14 days before the date of the AGM and is also made available for inspection at the AGM.

Application for Listing

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Option that may be granted under the New Share Option Scheme.

Competing Interest

As at the Latest Practicable Date, none of the Directors, controlling Shareholders or substantial Shareholders or any of their respective close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

LETTER FROM THE BOARD

5. AGM

A notice convening the AGM to be held at Suite 1801, 18/F, Tower 1 The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong on Friday, 8 September 2023 at 11:00 a.m. is set out on pages 44 to 50 of this circular. A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, please complete and return the form of proxy in accordance with the instructions printed thereon to either the principal place of business of the Company at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong or the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

6. VOTING BY POLL

All the resolutions set out in the notice of the AGM shall be taken by poll in accordance with the Listing Rules and the Articles. The chairman of the AGM would explain the detailed procedures for voting by way of a poll at the AGM.

The poll results will be published on the Company's website at www.wanjia-gp.com and the Stock Exchange's website at www.hkexnews.hk in due course pursuant to the Listing Rules.

7. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all relevant transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 4 September 2023 for registration.

LETTER FROM THE BOARD

8. 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 regards to the Company. The Directors having made all reasonable enquires, 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 facts the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATION

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

10. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM. Your attention is also drawn to the additional information set out in the Appendices to this circular.

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

Yours faithfully
For and on behalf of the Board
Wanjia Group Holdings Limited
Wang Jia Jun
Chief Executive Officer and
Executive Director

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

1. REPURCHASE OF SECURITIES FROM CORE CONNECTED PARTIES

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

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 560,222,136 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the basis that the existing issued share capital of the Company remains unchanged as at the date of the AGM, that is, 560,222,136 Shares, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 56,022,213 Shares, representing 10% of the total number of the issued Shares as at the date of the AGM.

3. REASONS FOR THE REPURCHASE

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

4. FUNDING OF REPURCHASES

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

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 March 2023, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
July	0.160	0.155
August	0.161	0.145
September	0.161	0.125
October	0.143	0.125
November	0.180	0.122
December	0.159	0.142
2023		
January	0.152	0.116
February	0.157	0.152
March	0.180	0.136
April	0.198	0.180
May	0.180	0.166
June	0.166	0.140
July (up to Latest Practicable Date)	0.147	0.127

6. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the AGM.

7. DIRECTORS' UNDERTAKINGS

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

8. TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert (within that term's meaning under the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

APPENDIX I

EXPLANATORY STATEMENT

Set out below are the percentage interests of the Shareholders who/which are interested in more than 10% of the Shares in issue as at the Latest Practicable Date and in the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate:

Name	Type of interests	Number of Shares (Note 1)	Approximate aggregate percentage of shareholding	Approximate aggregate percentage of shareholding upon full exercise of the Repurchase Mandate
Power King Investment Development Limited ("Power King")	Beneficial owner	156,862,198 (L)	28.00%	31.11%
Ms. Yung Ka Lai ("Ms. Yung")	Beneficial owner (Note 2) interest in controlled corporation (Note 2) interest of spouse (Note 2,3)	2,500,000 (L) 156,862,198 (L) 3,793,413 (L)	29.12%	32.36%
Mr. Wang	Beneficial owner (Note 3) interest of spouse (Note 2,3)	3,793,413 (L) 159,362,198 (L)	29.12%	32.36%
Grand Harbour Finance Limited ("Grand Harbour")	Security interest in Shares (Note 4)	156,862,198 (L)	28.00%	31.11%
Expert Wealth Investments Limited ("Expert Wealth")	Security interest in Shares (Note 4)	156,862,198 (L)	28.00%	31.11%
Mr. Ng Kwok Fai ("Mr. Ng")	Security interest in Shares (Note 4)	156,862,198 (L)	28.00%	31.11%

Notes:

- The letter "L" denotes long position in the Shares.
- Power King is the beneficial owner of 156,862,198 Shares and is a company wholly-owned by Ms. Yung, as such Ms. Yung is deemed to have an interest in all the Shares beneficially owned by Power King under the SFO. Ms. Yung is interested in 2,500,000 underlying Shares pursuant to the Options granted under the Share Option Scheme. Ms. Yung is the spouse of Mr. Wang, hence, Ms. Yung is deemed to be interested in the Shares in which Mr. Wang is interested in under the SFO.

3. Mr. Wang is interested in 3,793,413 underlying Shares pursuant to the Options granted under the Existing Share Option Scheme. Mr. Wang is the spouse of Ms. Yung, hence, Mr. Wang is deemed to be interested in the Shares in which Ms. Yung is interested in under the SFO.
4. Based on the notifications filed to the Company on 24 April 2020, 156,862,198 Shares owned by Power King were pledged to Grand Harbour, as such Grand Harbour has a security interest in the 156,862,198 Shares pledged by Power King. Grand Harbour is wholly-owned by Expert Wealth which in turn is wholly owned by Mr. Ng. Hence, Expert Wealth is deemed to be interested in the Shares in which Grand Harbour is interested in under the SFO and Mr. Ng is deemed to be interested in the Shares in which both Expert Wealth and Grand Harbour are interested in under the SFO.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, it would give rise to mandatory offer obligations under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in any Shareholder or group of Shareholders acting in concert, being obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Further the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under the Listing Rules.

9. SHARE REPURCHASE MADE BY THE COMPANY

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

APPENDIX II

DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

1. MR. WANG JIA JUN (“MR. WANG”)

Mr. Wang, aged 34, was appointed as the Chief Executive Officer with effect from 1 April 2020 and the executive Director since 31 August 2018. Mr. Wang was also appointed as the vice president of Zhuhai Shengchuang Medical Investment Management Company Limited[#] (珠海升創醫療投資管理有限公司) (an indirect non wholly-owned subsidiary of the Company) since 1 September 2022 and is responsible for developing and implementing business strategies of the Company in the PRC. Mr. Wang obtained a bachelor’s degree in Business Management from Stony Brook University in the United States of America in 2011. He also obtained a master’s degree in Health Administration from Columbia University in the United State of America in 2017. He has over 5 years of experience in the areas of business analysis and development across major cities in the PRC.

Mr. Wang’s current term of service with the Company will be expired on 31 March 2024 and will be renewable automatically for successive terms of one year unless terminated by not less than three months’ notice in writing served by either Mr. Wang and the Company. Mr. Wang is entitled to a director fee of HK\$900,000 per annum. Mr. Wang is also the chief executive officer of the Company and a vice president of a major subsidiary of the Company. Mr. Wang’s annual aggregate emoluments in respect of all his positions in the Group amount to approximately HK\$1,715,000. Mr. Wang’s emoluments amounts are determined with reference to his positions, job duties and responsibilities and the benchmark salary payment of similar post and duty in the market.

As at the Latest Practicable Date, Mr. Wang was deemed to be interested in (i) 156,862,198 Shares held by Power King Investment Development Limited, a company wholly owned by Ms. Yung, and (ii) 2,500,000 Options with exercise period between 24 April 2020 and 24 April 2030 at the Exercise Price of HK\$0.190 granted to Ms. Yung, pursuant to the Share Option Scheme; Mr. Wang was interested, as individual beneficial owner, in (iii) 1,293,413 Options with exercise period between 26 October 2018 and 26 October 2028 at the Exercise Price of HK\$0.668, and (iv) 2,500,000 Options with exercise period between 24 April 2020 and 24 April 2030 at the Exercise Price of HK\$0.190 granted to him, respectively, pursuant to the Share Option Scheme. Mr. Wang is in aggregate interested in approximately 29.12% of the issued share capital of the Company pursuant to Part XV of the SFO.

[#] *English translations of official Chinese names are for identification purpose only.*

As at the Latest Practicable Date, save as disclosed above, (i) Mr. Wang did not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders (within the meaning of the Listing Rules) of the Company; (ii) nor had he held any directorship in any listed public companies in the last three years or any other positions with the Company and other members of the Group or other major appointments and professional qualifications; (iii) Mr. Wang did not have, and was not deemed to have, any interests in the shares and underlying shares or debentures of the Company (or any of its associated corporation) within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, Mr. Wang confirmed that there was no other information that needed to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there were no other matters that need to be brought to the attention of the Shareholders relating to the re-election of Mr. Wang.

2. DR. LIU YONGPING (“DR. LIU”)

Dr. Liu, aged 67, is an independent non-executive Director since 27 February 2014. Dr. Liu is a practicing solicitor in Hong Kong and a consultant of a law firm in Hong Kong. Dr. Liu has over 25 years of experience in the capital market and merger and acquisition legal services sector. Dr. Liu graduated from the University of London with a master’s degree in law in 1987 and from the University of Oxford with a doctor’s degree in philosophy in 1994. Apart from his appointment with the Company, Dr. Liu has been acting as an independent non-executive director of Yue Da International Holdings Limited (stock code: 629, formerly known as Yue Da Mining Holdings Limited) since June 2010 and an independent non-executive director of Logan Group Company Limited (stock code: 3380) since 30 March 2023, all being companies listed on the Main Board of Stock Exchange. Save as disclosed above, Dr. Liu did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Dr. Liu has been appointed as an independent non-executive Director by way of a letter of appointment with the Company for a period of three year commencing from 27 February 2014, which will continue thereafter until terminated by either party giving not less than three months’ notice in writing. Dr. Liu is entitled to a HK\$12,500 per month which was determined by arm’s length negotiation between Dr. Liu and the Company. Dr. Liu is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. Such salaries and benefits were determined with reference to his roles and responsibilities of the Group and the prevailing market conditions. Dr. Liu is subject to rotation and retirement requirement under the Articles.

APPENDIX II**DETAILS OF THE RETIRING DIRECTORS
PROPOSED TO BE RE-ELECTED AT THE AGM**

As at the Latest Practicable Date, Dr. Liu was interested, as individual beneficial owner, in (i) 40,419 Options with exercise period between 26 October 2018 and 26 October 2028 at the Exercise Price of HK\$0.668 and (ii) 100,000 Options with exercise period between 24 April 2020 and 24 April 2030 at the Exercise Price of HK\$0.190 granted to him, respectively, pursuant to the Share Option Scheme, representing in aggregate approximately 0.03% of the issued share capital of the Company pursuant to Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, (i) Dr. Liu did not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders (within the meaning of the Listing Rules) of the Company; nor had he held any directorship in any listed public companies in the last three years or any other positions with the Company and other members of the Group or other major appointments and professional qualifications; And (ii) Dr. Liu did not have, and was not deemed to have, any interests in the shares and underlying shares or debentures of the Company (or any of its associated corporation) within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, Dr. Liu confirmed that there was no other information that needed to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there were no other matters that need to be brought to the attention of the Shareholders relating to the re-election of Dr. Liu.

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Participants and to promote the success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

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

Eligible Participants for the New Share Option Scheme are the Employee Participant(s) which includes the director(s) and employee(s) (whether full-time or part-time) of the Company of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group), provided that the Board may have absolute discretion to determine whether or not one falls within the above category.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); and (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group; and (iv) the individual contribution or potential contribution to the development and growth of the Group.

4. GRANT AND ACCEPTANCE OF OPTIONS

The Board shall, subject to the terms of the New Share Option Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe 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 may, subject to paragraph (7) below, determine the subscription price pursuant to paragraph (6) below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Participants 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 specifying the number of Shares and the Option Period in respect of which the Offer is made and further 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 the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his or her Personal Representative(s) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

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.

5. VESTING PERIOD

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

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

6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company.

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share on the Offer Date.

Where a relevant Option is to be granted under paragraph (8) or (9), for the purposes of the sub-paragraph (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

- (a) Subject to the Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (b) and (c) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules. Any refreshment of the Scheme Mandate Limit to be made within three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 17.03C(1) of the Listing Rules.
- (c) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (c), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates.

9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

The rules of the New Share Option Scheme will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules of the New Share Option Scheme will give the Board discretion to impose such conditions, including the performance targets or other clawback mechanism where appropriate, on the Share Options. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Share Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant. Saved that the clawback mechanism as stipulated in the below paragraphs 13 to 20 and 27 of this Appendix III, the New Share Option Scheme does not prescribe any other clawback mechanism.

11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of Options may not be made:

- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules);
 - (ii) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules)

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Rule C.14 of Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 of the Listing Rules.

12. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest 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 any part thereof granted to such Grantee to the extent not already exercised.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

If the Grantee of an Option is an employee or a director of the Group and ceases to be an Eligible Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

14. RIGHTS ON DEATH

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph (13) above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of twelve (12) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs (18) to (20) respectively.

15. RIGHTS ON ILL-HEALTH OR RETIREMENT

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of three (3) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (18) to (20) respectively.

16. RIGHTS ON CESSATION FOR OTHER REASONS

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs (13) to (15) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment with the Group.

17. RIGHTS ON BREACH OF CONTRACT

If the Grantee of an Option ceases to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

18. RIGHTS ON A GENERAL OFFER

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

19. RIGHTS ON WINDING UP

In the event a notice is given by the Company to its Shareholders to convene an extraordinary general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and any Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “**Suspension Date**”), accompanied by a remittance of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, 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 that they have not been exercised, lapse and terminated.

21. CANCELLATION OF OPTIONS

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

22. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or whilst the New Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in any such case (other than in the case of capitalisation issue), the Company shall instruct the auditors or independent financial adviser to certify in writing:

- (1) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee,
- (2) the number or nominal amount of Shares to which the New Share Option Scheme relates (insofar as it is/they are unexercised), and/or
- (3) the Exercise Price of any Option,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (1) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (2) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had the person exercised all the Options held by him immediately prior to such event (as interpreted in accordance with FAQ No. 072-2020 or any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time);
- (3) the issue of securities of the Company for cash or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (4) in respect of any such adjustments, the auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, FAQ 072-2020, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

Subject to the above principles and certification procedures, the default method of adjustment is set out below:

- (1) In the case of a capitalisation issue or rights issue, the Company would calculate the adjusted number of Options and adjusted Exercise Price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section A(a) and A(b), respectively, of the “APPENDIX TO SUPPLEMENTARY GUIDANCE ON MAIN BOARD LISTING RULE 17.03(13)” (the “Supplemental Guidance”) to FAQ No. 072-2020 published by the Stock Exchange, set out below:

new number of Options = existing Options x F

$$\text{new Exercise Price} = \text{existing Exercise Price} \quad \times \quad \frac{1}{F}$$

Where

F = CUM/TEEP

CUM = closing price as shown in the daily quotation sheet of the Stock Exchange on the last day of trading before going ex-entitlement

$$\text{TEEP (theoretical ex entitlement price)} \quad = \quad \frac{\text{CUM} + [\text{M} \times \text{R}]}{1 + \text{M}}$$

M = entitlement per existing Share

R = subscription price

- (2) In the case of a consolidation, subdivision or reduction of share capital, the Company would calculate the adjusted number of Options and Exercise Price by applying the formula prescribed (and as updated from time to time) by the Stock Exchange in section B of the Supplemental Guidance, set out below:

new number of Options = existing Options x F

$$\text{new Exercise Price} = \text{existing Exercise Price} \quad \times \quad \frac{1}{F}$$

Where F = subdivision or consolidation or reduction factor

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to this section shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the 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 of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

24. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board.

- (a) The provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

26. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at the AGM approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

27. LAPSE OF OPTION

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph (12);
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (13) to (20);
- (d) the date of the commencement of the winding-up of the Company.

28. TERMINATION

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

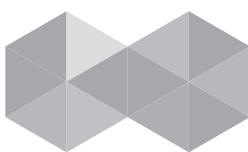
29. MISCELLANEOUS

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (22) above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

NOTICE OF AGM



WANJIA GROUP
萬嘉集團

WANJIA GROUP HOLDINGS LIMITED

萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

NOTICE IS HEREBY GIVEN THAT an annual general meeting (“AGM”) of Wanjia Group Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Friday, 8 September 2023 at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong for the purposes of considering and, if thought fit, passing (with or without amendments) the following resolutions:

ORDINARY BUSINESS

1. To consider, receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2023.
2.
 - (I)
 - (a) To re-elect Mr. Wang Jia Jun as an executive Director;
 - (b) To re-elect Dr. Liu Yongping as an independent non-executive Director;
 - (II) To authorise the board (the “**Board**”) of Directors to fix the Directors’ remuneration.
3. To re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the Board to fix their remuneration.

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SPECIAL BUSINESS

As special business, consider and, if thought fit, pass with or without amendments the following proposed resolutions as ordinary resolutions:

4. **THAT:**

- (a) Subject to paragraph (c) of this resolution, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make and/or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Board during the Relevant Period to make or grant offers, agreements and/or options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital which may be allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the Article of Association of the Company or (v) a specific authority granted by the Shareholders of the Company in general meeting, shall not exceed the aggregate of:
 - (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

NOTICE OF AGM

- (ii) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution).

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution:

- (aa) “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Article of Association of the Company, or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

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

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5. **THAT:**

- (a) Subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined in resolution numbered 4(d)(aa)) of all powers of the Company to purchase its shares on the Main Board or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” shall have the same meaning as in resolution numbered 4(d)(aa).

6. **THAT** conditional upon resolutions numbered 5 and 6 of this notice being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution numbered 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company which are bought back by the Company under the authority granted to the Directors pursuant to resolution numbered 6, provided that the amount of Shares so bought back by the Company shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.

7. To consider as special business, and if thought fit, passing with or without modification the following resolution as an ordinary resolution:

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“THAT:

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to the AGM and marked “A” and initialed by the chairman of the AGM for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors of the Company be and are hereby authorised to grant options to allot, issue and deal in the Shares as maybe required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme;
- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution;
- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 24 September 2013 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution.”

By order of the Board
Wanjia Group Holdings Limited
Wang Jia Jun
Chief Executive Officer and
Executive Director

Hong Kong, 26 July 2023

Registered office:
Third Floor
Century Yard, Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Suite 1801, 18/F, Tower 1
The Gateway, Harbour City
25 Canton Road, Kowloon
Hong Kong

NOTICE OF AGM

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or (in respect of a member who is a holder of two or more shares) more proxies to attend and, subject to provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the AGM is enclosed with the circular of the Company dated 26 July 2023. Whether or not you intend to attend the AGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member of the Company from attending in person and voting at the AGM or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of authority must be deposited at either the Company's principal place of business in Hong Kong at Suite 1801, 18/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Kowloon, Hong Kong or the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM (i.e. 11:00 a.m. on Wednesday, 6 September 2023 (Hong Kong time)) or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto, but if more than one such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the New Share Option Scheme of the Company or any scrip dividend scheme which may be approved by shareholders of the Company.
6. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company 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 of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in this circular of which this notice of the AGM forms part.

NOTICE OF AGM

7. For the purpose of determining shareholders' eligibility to attend and vote at the AGM (or at any adjournment of it), the register of members of the Company will be closed as set out below:

Latest time to lodge transfer documents for
registration with the Company's registrar

At 4:30 p.m. on Monday, 4 September 2023

Closure of register of members

Tuesday, 5 September 2023
to Friday, 8 September 2023
(both dates inclusive)

Record date

Friday, 8 September, 2023

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the AGM (or at any adjournment of it), all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

8. Any voting at the AGM shall be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
9. If Typhoon Signal No.8 or above, Extreme Conditions or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be adjourned. The Company will post an announcement on the website of the Company at www.wanjia-gp.com and on the website of the Stock Exchange at www.hkexnews.hk to notify the shareholders of the Company the date, time and place of the rescheduled meeting.
10. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.