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

If you have sold or transferred all your shares in China Boton Group Company Limited, 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.

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China Boton Group Company Limited
中國波頓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3318)

**PROPOSALS FOR ADOPTION OF SHARE AWARD SCHEME
AND NEW SHARE OPTION SCHEME AND TERMINATION OF
EXISTING SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the Extraordinary General Meeting of the Company to be held at Conference Room, ANPA Financial Services Group Limited, Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong on 11 December 2023 at 3:00 pm is set out on pages 44 to 47 of this circular.

Whether or not you are able to attend the Extraordinary General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting in person should you so wish.

23 November 2023

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DEFINITIONS

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

“Acceptance Date”	in relation to any Option, the day on which the offer to grant such Option is accepted by the relevant Eligible Participant in accordance with the provisions of the New Share Option Scheme
“Adoption Date”	the date on which the Share Award Scheme and the New Share Option Scheme are conditionally adopted by resolutions of the Shareholders at the EGM
“Articles”	the articles of association of the Company in force for the time being
“Award”	a provisional award of the Awarded Shares made under the Share Award Scheme
“Awarded Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors
“Companies Act”	the Companies Act of the Cayman Islands as amended from time to time
“Company”	China Boton Group Company Limited (中國波頓集團有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Date of Grant”	in relation to any Option, the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant subject to the provisions of the New Share Option Scheme
“Eligible Participant(s)”	any Employee Participant or Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group
“Employee Participant(s)”	the directors and other members of senior management and other employees of the Group (including without limitation any person who is a proposed grantee as an inducement to enter into an employment contract (or the equivalent) with the Company or any of its subsidiaries) who may be eligible to participate in the Share Award Scheme and/or the New Share Option Scheme in accordance with terms of the respective schemes

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“Excluded Participant(s)”	any person who is resident in a place where the grant of an Award and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Existing Share Option Scheme”	the share option scheme of the Company adopted by the then Shareholders on 8 May 2015
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company to be held at Conference Room, ANPA Financial Services Group Limited, Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong on 11 December 2023, Monday at 3:00 pm or, where the context so admits, any adjournment thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)
“Latest Practicable Date”	16 November 2023, being the latest practicable date prior to the printing of this circular for 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
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s)
“New Share Option Scheme”	the share option scheme of the Company proposed to be approved and adopted by the Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix II to this circular
“Offer Letter”	the letter or document containing the offer of grant of the Option
“Option(s)”	option(s) to subscribe for Shares pursuant to the New Share Option Scheme
“Option Holder(s)”	the holder(s) of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder

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“Option Period”	in respect of any Option, the period commencing on the Acceptance Date and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any Option is granted in accordance with the New Share Option Scheme
“Option Price”	the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provisions of the New Share Option Scheme
“PRC”	the People’s Republic of China
“Returned Share(s)”	such Awarded Share(s) which are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme, or such Share(s) being deemed to be Returned Share(s)
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date
“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award
“Service Provider(s)”	any person who provides services to the Company or any of its subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of Options and/or Awards to whom are in the interests of the long-term growth of the Group as determined by the Board, namely: (a) a supplier of services to any member of the Group; (b) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group; and

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(c) any person or entity that engages in design and/or research and development work for any member of the Group;

but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity, and provided that the Board shall have absolute discretion to determine whether or not one falls within such category

“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit for the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group
“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\$0.10 each in the share capital of the Company
“Share Award Scheme”	the share award scheme of the Company proposed to be adopted by the Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular
“Shares Pool”	the pool of Shares maintained by the Trustee from which the Award shall be made
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	in relation to an Option, an amount equal to the Option Price multiplied by the relevant number of Shares in respect of which such Option is exercised
“Trustee”	Tricor Trust (Hong Kong) Limited, a professional trustee appointed by the Company to act as the trustee for the trust under the Share Award Scheme
“Trust Deed”	the trust deed to be entered into between the Company as settlor and the Trustee as trustee in respect of Shares and other Trust Fund (if any) to be held by the Trustee subject to the terms thereof, as amended from time to time

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“Trust Fund”	the funds and properties to be held under the trust constituted by the Trust Deed and managed by the Trustee for the benefit of the Eligible Participants in accordance with the terms of the Share Award Scheme and the Trust Deed
“Vesting Date”	in relation to any Selected Participants, the date on which the legal and beneficial ownership of the Awarded Shares are vested in such Selected Participants
“%”	per cent

LETTER FROM THE BOARD



China Boton Group Company Limited 中國波頓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3318)

Executive Directors:

Mr. Wang Ming Fan

(Chairman & Chief Executive Officer)

Mr. Li Qing Long

Mr. Yang Ying Chun

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Leung Wai Man, Roger

Mr. Ng Kwun Wan

Mr. Zhou Xiao Xiong

Mr. Yau How Boa

*Head Office and Principal Place of
Business in Hong Kong:*

Flat A-B, 37/F

Boton Technology Innovation Tower

368 Kwun Tong Road

Kowloon

Hong Kong

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR ADOPTION OF SHARE AWARD SCHEME
AND NEW SHARE OPTION SCHEME AND TERMINATION OF
EXISTING SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

RESPONSIBILITY STATEMENT

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

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding the proposal for the adoption of the Share Award Scheme and the New Share Option Scheme and the Termination of the Existing Share Option Scheme.

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As new requirements of Chapter 17 of the Listing Rules have become effective since 1 January 2023, ordinary resolutions will be proposed at the EGM to approve the adoption of the New Share Option Scheme which will comply with such new requirements as well as the consequential termination of the Existing Share Option Scheme. In addition to the New Share Option Scheme, ordinary resolution will also be proposed to approve the adoption of the Share Award Scheme, which will offer a more favourable and accepted means of providing incentive to the Selected Participants.

PROPOSALS FOR ADOPTION OF THE SHARE AWARD SCHEME AND THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme was adopted by ordinary resolution of shareholders passed at the annual general meeting of the Company held on 8 May 2015. There were no options granted and no outstanding options under the Existing Share Option Scheme since its adoption, as at 31 December 2022 and up to the Latest Practicable Date. The Existing Share Option Scheme complied with the applicable requirements of the pre-existing Chapter 17 of the Listing Rules relating to share option schemes adopted by a listed issuer or its subsidiaries which were effective until 31 December 2022.

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

The Share Award Scheme and the New Share Option Scheme

In July 2022, the Stock Exchange announced amendments to the pre-existing Chapter 17 of the Listing Rules which have become effective since 1 January 2023. In order to ensure the continuity of a share option scheme, the Board proposes to adopt the New Share Option Scheme which will comply with the new requirements of the Chapter 17 of the Listing Rules, and consequentially terminate the Existing Share Option Scheme.

In addition to the New Share Option Scheme, the Board also proposes to adopt the Share Award Scheme. The Board is of the view that the adoption of the Share Award Scheme provides for the award of Awarded Shares to Eligible Participants, who are not required to pay for those Shares either on grant or on vesting of the Award, which will offer a more favourable and accepted means of providing incentive to the Selected Participants (as compared to the grant of Options which require the Option Holders to have immediately available funds for payment of the Subscription Price). As such, the adoption of the Share Award Scheme and the New Share Option Scheme in parallel will provide the Company with different tools which are more flexible and effective in attracting, rewarding, motivating and retaining the Eligible Participants and driving their contributions to the Group. The Share Award Scheme will also comply with the latest requirements under Chapter 17 of the Listing Rules.

The Share Award Scheme and the New Share Option Scheme each constitutes a “Share Scheme” governed by the Chapter 17 of the Listing Rules. According to the Chapter 17 of the Listing Rules, the proposed adoption of the Share Award Scheme and the New Share Option Scheme is subject to the approval of the Shareholders at the EGM.

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As at the Latest Practicable Date, the Board (or its duly authorised officer(s) or delegate(s)) has/have not proposed any beneficiary nor grantee under the Share Award Scheme and the New Share Option Scheme, and accordingly, the Company is not aware that any Shareholder is required to abstain from voting at the EGM on the resolutions as set out in the notice of the EGM proposed for approving the adoption of the Share Award Scheme and the New Share Option Scheme and the consequential termination of the Existing Share Option Scheme.

The Trustee, namely Tricor Trust (Hong Kong) Limited, is a professional institution appointed by the Company as such to operate and administer the Share Award Scheme in accordance with the terms of the Share Award Scheme. None of the Directors is a Trustee or has any direct or indirect interest in the Trustee. Having made such enquiry with respect to the Trustee as is reasonable in the circumstances, the Company is not aware that the Trustee has any relationship with the Company nor its connected persons and their respective associates as defined in the Listing Rules.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be granted and issued from time to time under the Share Award Scheme as well as the Shares to be allotted and issued pursuant to the exercise of the Options granted from time to time under the New Share Option Scheme.

Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,080,512,146 Shares. On the basis that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the Adoption Date and subject to passing of the ordinary resolutions approving the adoption of the Share Award Scheme and the New Share Option Scheme at the EGM and the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, on the Stock Exchange, any Shares to be granted and issued from time to time under the Share Award Scheme as well as any Shares to be issued pursuant to the exercise of options granted from time to time under the New Share Option Scheme, the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group must not in aggregate exceed 108,051,214 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, which is the Scheme Mandate Limit. As at the Latest Practicable Date, the Company has no other share option schemes or share award schemes or similar scheme other than the Existing Share Option Scheme.

Further, within the Scheme Mandate Limit, the Service Provider Sublimit, being the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group, must not in aggregate exceed 32,415,364 Shares, representing 3% of the total number of Shares in issue as at the Adoption Date, subject to separate approval by the Shareholders at the EGM.

The proposed Service Provider Sublimit has been determined by the Board taking into account, amongst others, (i) the number of potentially eligible Service Providers under the Share Award Scheme and the New Share Option Scheme, (ii) the actual or expected reduction in costs of the Group or increase in turnover or profit of the Group which is attributable to the Service Providers, and the

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nature of the Service Providers' contribution to the long-term growth of the Group's core business and the future capital need of the Group, and (iii) the need to reserve a majority portion of the Scheme Mandate Limit for the Employee Participants. The Directors (including the INEDs) are of the view that the proposed Service Provider Sublimit is appropriate and reasonable given that it has struck a proper balance between the need to provide incentives for the Service Providers to supply reliable and high-quality services to the Group on a long-term basis and the need to protect the rights of the existing Shareholders as a whole.

Explanation of the terms of the Share Award Scheme

A summary of the principal terms of the Share Award Scheme is set out in Appendix I to this circular.

The purposes of the Share Award Scheme are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for its further development of the Group.

(a) Eligible Participants

Eligible Participants include the Employee Participants and the Service Providers. The basis of eligibility of each Eligible Participant shall be determined by the Board taking into account such factors as the Board may at its discretion consider appropriate. The Directors will assess the eligibility of each of the Eligible Participants on a case-by-case basis.

Eligibility of Employee Participants

The Employee Participants cover the directors (including INEDs) and other members of senior management and other employees of the Group (including without limitation any person who is a proposed grantee as an inducement to enter into an employment contract (or the equivalent) with the Company or any of its subsidiaries) who may be eligible to participate in the Share Award Scheme.

Having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the INEDs; (ii) INEDs may provide crucial contributions to the Group's development and business in providing valuable insight and advice to the Company with their in-depth industry knowledge and professional background; and (iii) INEDs should be adequately remunerated for the time and effort that they have committed in order to discharge their responsibilities, the Board believes the inclusion of INEDs as eligible Employee Participants and the flexibility to grant Awards to the INEDs in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Board is of the view that the independence and impartiality of the INEDs will not be impaired by any potential grant of the Awards under the Share Award Scheme for the following reasons: (i) the INEDs are required to comply with the independence requirement under Rule 3.13 of

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the Listing Rules; (ii) approval by independent Shareholders in the manner prescribed under Rule 17.04(4) of the Listing Rules will be required if any Award is to be granted to INEDs or any of their respective associates would result in the total number of Shares issued and to be issued in respect of the options or awards granted and to be granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue; (iii) the Remuneration Committee and the Board will consider whether the package offered to INEDs may affect the INEDs' objectivity and independence and it is contemplated that any equity-based remuneration that may be granted to any INED will make reference to the prevailing market benchmark as well as the time and effort devoted by the INED (taking into account the complexity and/or workload of the work that the relevant INED may be handling at that time) and such grant, if any, will only form part of (but not the integral of) the INED's remuneration package; and (iv) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers generally should not grant equity-based remuneration with performance-related elements to INEDs when considering any future grants of Awards to the INEDs.

As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Awards to the INEDs under the Share Award Scheme.

With respect to the Employee Participants, the Board will consider, amongst others, the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

Eligibility of Service Providers

The Service Providers cover any person who provides services to the Company or any of its subsidiaries on a continuing and recurring basis in the ordinary and usual course of business of the Group, the grant of Awards to whom are in the interests of the long-term growth of the Group as determined by the Board, namely: (i) a supplier of services to any member of the Group; (ii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group; and (iii) any person or entity that engages in design and/or research and development work for any member of the Group, but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity. The Board shall have absolute discretion to determine whether or not one falls within such category.

With respect to the eligibility of each category of the Service Providers, the Board will consider the following factors:

(i) Supplier of services to any member of the Group

The Service Providers under this category are mainly suppliers of sales and marketing services supporting the Group's extracts, flavors and fragrances business and electronic cigarettes and the related products business.

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In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the nature, reliability and quality of the services supplied; (2) the frequency of transactions with the relevant Service Provider; (3) the length of business relationship with the Group; and/or (4) the potential and/or actual contribution to the business affairs of the Group, including revenue or profits attributable to or brought by products using services supplied by such Service Providers.

(ii) Adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group

The Service Providers under this category are mainly those advisers or consultants who could provide advice on business development which could enhance the valuation of the Group and bring benefits and strategic value to the Group's development and future prospects.

The Directors believe that the valuable insights and advice of the external consultants and advisors will be beneficial to the promotion of the Group's long-term growth and corporate governance. The Directors are of the view that granting Awards to such Service Providers may assist the Group in retaining high-caliber consultants and advisors.

In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the potential and/or actual scale and degree of cooperation with the Group; (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

(iii) A person or entity that engages in design and/or research and development work for any member of the Group

The Group engages and will continue to engage a group of Service Providers under this category who will render services like design, research and development in respect of the Group's extracts, flavors and fragrances business and electronic cigarettes and the related products business. The Directors are of the view that the support from the Service Providers under this category will enable the Group to keep track of the evolving market trends and provide high-quality products which cater the needs of Group's customers.

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In making the offer to the Service Providers under this category, the Board will take into account, amongst others, (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided; (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

The reason for rewarding the Service Providers of the Group is to recognise their knowledge, know-how, experience and expertise which are of valuable contribution to the Group. Some of them may have established relationships with other industry players, the others may have sector-specific know-how which provides the Group with competitive advantages. Hence, alongside the Employee Participants, the Service Providers also take part in (i) creating and enhancing value of the Group; and (ii) assisting the Group in attaining its long-term objectives.

The Board believes that granting Awards to the Service Providers will align their interests with that of the Group and attract key players of different business sectors which the Group engages in, thereby fostering the Group's long-term growth and development. The Board (including the INEDs) considers that the proposed categories of the Service Providers are in line with the Group's business needs and the industry norm, and the criteria for the selection of Eligible Participants aligns with the purpose of the Share Award Scheme.

Considering the aforesaid, the Board is of the view that the scope of the Eligible Participants as set out in the Share Award Scheme allows the flexibility for the Board to exercise their discretion in case these individuals or entities made or will make significant contributions to or have an important role in the business development of the Group.

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(b) Vesting period

The vesting period for Awards shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of the Share Award Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Selected Participant, such as those set out in paragraphs 10.1.1 to 10.1.3 of Appendix I to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting instead of time-based vesting depending on individual circumstances. Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in sub-paragraph 10.1 of Appendix I to this circular is in line with market practice, is appropriate and aligns with the purpose of the Share Award Scheme.

(c) Performance targets and clawback mechanism

The Board may at its discretion specify any conditions (including performance targets (if any)) before any of the Awarded Shares (or the net sales proceeds thereof) may be transferred to and vested in the award notice. Such performance targets may include financial targets such as net profit after tax for the year of the Group and management targets (e.g. stakeholder engagement, productivity, client satisfaction etc.) which shall be determined based on (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 Selected Participant.

In relation to the clawback mechanism of the Share Award Scheme, all Awards granted which are unvested shall automatically lapse under certain circumstances specified in the Share Award Scheme, such as the Selected Participant having been convicted of any criminal offence involving his/her integrity or honesty, or having done something which brings the Group into disrepute or cause damage to the Group (including, among others, causing material misstatement of the financial statements of the Company). For details of the circumstances in which Awards which are unvested shall lapse, please refer to the paragraph 12 in Appendix I to this circular.

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

(d) Purchase price

The Selected Participants under the Share Award Scheme is not required to pay any purchase price to receive the Awarded Shares comprising an Award, which will offer a favourable and accepted means of providing incentive to the Selected Participants (as compared to the grant of Options which require Option Holders to have immediately available funds for payment of the Subscription Price). The Board is of the view that this aligns with the purpose of the Share Award Scheme.

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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 Appendix II to this circular.

The purpose of the New Share Option Scheme, the coverage of the Eligible Participants and the criteria for the selection of Eligible Participants for the New Share Option Scheme is the same as those of the Share Award Scheme. The Board is of the view that the independence and impartiality of the INEDs will not be impaired by any potential grant of the Options under the New Share Option Scheme for the reasons stated above. As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Options to the INEDs under the New Share Option Scheme. The Board (including the INEDs) considers that (i) the proposed categories of the Service Providers are in line with the Group's business needs and the industry norm, and (ii) the scope of the Eligible Participants and the criteria for the selection of Eligible Participants align with the purpose of the New Share Option Scheme.

(a) Vesting period

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

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

(b) Performance targets and clawback mechanism

The rules of the New Share Option Scheme will give the Board discretion to impose conditions of specific performance targets that must be met before an Option can be exercised. Such performance targets shall include: financial targets such as net profit after tax for the year of the Group and management targets (such as stakeholder engagement, productivity, client satisfaction etc.) 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 Eligible Participant.

LETTER FROM THE BOARD

In relation to the clawback mechanism of the New Share Option Scheme, all outstanding Options granted shall automatically lapse and any Options exercised by the Option Holder the Shares of which have not been allotted shall, unless the Board determines otherwise, be deemed not to have been so exercised under certain circumstances specified in the New Share Option Scheme, such as the Option Holder ceases to be an Eligible Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on the grounds that he or she has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be). For details of these circumstances, please refer to paragraph 12 in Appendix II to this circular. Save for in the event of winding up or a compromise or arrangement in paragraphs 9 and 11 or such circumstances prescribed in paragraph 12 in Appendix II to this circular, unless otherwise imposed by the Directors and stated in the relevant Offer Letter, there is no clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants.

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

(c) Basis of determination of the Option Price

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

(d) Value of the Options

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

LETTER FROM THE BOARD

DOCUMENTS ON DISPLAY

Electronic copies of the Share Award Scheme and the New Share Option Scheme are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.boton.com.hk) for a period of 14 days from the date of this circular up to and including 6 December 2023 (both days inclusive).

EXTRAORDINARY GENERAL MEETING

The notice convening the Extraordinary General Meeting is set out on pages 44 to 47 of this circular. At the Extraordinary General Meeting, ordinary resolutions will be proposed to approve the proposal for adoption of the Share Award Scheme and the New Share Option Scheme as well as the consequential termination of the Existing Share Option Scheme.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. Whether or not the Shareholders are able to attend the Extraordinary General Meeting, the Shareholders are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the Extraordinary General Meeting in person if they so wish.

Closure of Register of Members

For determining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from 6 December 2023 to 11 December 2023 (both days inclusive), during which no transfers of Shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, all transfer documents accompanied by the relevant Share certificates must be lodged for registration with the branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 5 December 2023.

Voting by Poll

In compliance with the Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the Extraordinary General Meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible after the Extraordinary General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the adoption of the Share Award Scheme and the New Share Option Scheme as well as the consequential termination of the Existing Share Option Scheme to be proposed at the Extraordinary General Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

GENERAL INFORMATION

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

Yours faithfully
By order of the Board
China Boton Group Company Limited
Wang Ming Fan
Chairman

The following is a summary of the principal terms of the Share Award Scheme to be adopted by way of ordinary resolution at the Extraordinary General Meeting, save that this Appendix does not and it is not intended to form part of the Share Award Scheme, nor is deemed to form an interpretation affecting the rules of the Share Award Scheme.

1 PURPOSES OF THE SHARE AWARD SCHEME

The purposes of the Share Award Scheme are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for its further development of the Group.

2 ELIGIBLE PARTICIPANTS AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

An Eligible Participant means an Employee Participant or a Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group. The Board shall determine the basis of eligibility of each Eligible Participant by taking into account such factors as the Board may at its discretion consider appropriate. The Directors will assess the eligibility of each of the Eligible Participants on a case-by-case basis.

With respect to the Employee Participants, the Board would mainly take into account of the experience of the Employee Participant on the Group's business, the length of service of the Employee Participant with the Group and the amount of support, assistance, guidance, advice, efforts and contributions the Employee 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 Employee Participant is likely to be able to give or make towards the success of the Group in the future. The Board will consider all relevant factors as appropriate, including, among others, the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

Further, with respect to the eligibility of each category of the Service Providers, the Board will consider the following factors:

(i) Supplier of services to any member of the Group

The Board will take into account, amongst others, (1) the nature, reliability and quality of the services supplied; (2) the frequency of transactions with the relevant Service Provider; (3) the length of business relationship with the Group; and/or (4) the potential and/or actual contribution to the business affairs of the Group, including revenue or profits attributable to or brought by products using services supplied by such Service Providers.

(ii) Adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group

The Board will take into account, amongst others, (1) the potential and/or actual scale and degree of cooperation with the Group; (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

(iii) A person or entity that engages in design and/or research and development work for any member of the Group

The Board will take into account, amongst others, (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided; (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

3 ADMINISTRATION

The Share Award Scheme shall be subject to the administration of the Board or its delegates and the Trustee in accordance with the terms of the Share Award Scheme and the Trust Deed. The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed. Subject to the provisions of the Listing Rules and applicable law and other regulations from time to time in force, the Board's powers include, *inter alia*, the authority, in its discretion:

- 3.1 to select Eligible Participants to whom Awards may be granted under the Share Award Scheme on the basis of the Board's opinion as to their contribution and/or future contribution to the development and growth of the Group;
- 3.2 to determine, subject to the requirements of the Listing Rules, when Awards may be granted;

- 3.3 to determine the number of Awarded Shares to be awarded to any Selected Participant pursuant to any Award; and
- 3.4 to determine, subject to the terms of the Share Award Scheme and the requirements of the Listing Rules, the terms and conditions of any Award based in each case on such factors as the Board may determine. Such terms and conditions may include:
 - 3.4.1 the earliest Vesting Date (which shall be a date not less than 12 months from the date of acceptance of the Award by the relevant Selected Participant unless otherwise permitted under the Listing Rules) and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares (or the relevant portions thereof) in the relevant Selected Participant;
 - 3.4.2 the performance targets, if any, that must be achieved (or duly altered or waived by the Board) before the Awarded Shares can be vested; and
 - 3.4.3 other condition(s), if any, that must be attained or paid by the relevant Selected Participant (or duly altered or waived by the Board) before the Awarded Shares can be vested.

4 SHARES POOL

In order to satisfy any Award granted under the Share Award Scheme from time to time, the Trustee shall set aside the appropriate number of Awarded Shares out of the Shares Pool which shall comprise the following:

- 4.1 such Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the funds allocated by the Board out of the Company's resources, provided that the Trustee may not purchase Shares when there are no specified participants;
- 4.2 such Shares as may be subscribed for by the Trustee by utilising the funds allocated by the Board out of the Company's resources, provided that the Trustee may not subscribe for Shares when there are no specified participants;
- 4.3 such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise;
- 4.4 such Shares which remain unvested and revert to the Trustee due to the lapse of the Award;
- 4.5 such Shares as may be irrevocably donated or transferred or irrevocably vested or caused to be vested by any persons recommended by the Company to the Trustee; and
- 4.6 Returned Shares.

The Trustee may purchase the Shares on the Stock Exchange at the prevailing market price (subject to the maximum price as may be from time to time prescribed by the Board or its delegates), or off the market. In the event that the Trustee effects any purchases off-market, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

5 AWARD OF SHARES AND PERFORMANCE TARGETS

- 5.1 The Board or its delegates shall, subject to and in accordance with the rules of the Share Award Scheme, be entitled to, at any time during the continuation of the Share Award Scheme, make an Award out of the Shares Pool to any of the Eligible Participants (excluding any Excluded Participant), such number of issued Shares as it shall determine pursuant to the Share Award Scheme.
- 5.2 The Board may at its absolute discretion determine, subject to the terms of the Share Award Scheme and the requirements of the Listing Rules, the terms and conditions of any Award to be granted to the Selected Participants where appropriate, which may include the performance targets that must be achieved before the Awarded Shares can be vested. Such performance targets shall include: financial targets such as net profit after tax for the year of the Group and management targets (such as stakeholder engagement, productivity, client satisfaction etc.) 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 Selected Participants. The Directors (or, as the case may be, the Remuneration Committee), will conduct assessment at the end of a performance period by comparing (i) the general performance of business segments and (ii) individual performance of the Eligible Participants against the pre-agreed performance targets to determine whether the targets have been met, and the extent. During the internal appraisal process conducted by the Directors (or, as the case may be, the Remuneration Committee) with each Eligible Participant to assess the potential value such Eligible Participant may bring to the Group in the future, a variety of factors will be taken into consideration, including but not limited to: (i) past contribution made by an Eligible Participant; (ii) role and position of the Eligible Participant within the Group; (iii) corporate culture; and (iv) focus of business strategies. For the avoidance of doubt, the Share Award Scheme itself does not specify any performance targets and hence save as determined by the Board in its sole discretion and provided in the notice of the relevant Award, there is no performance target which must be achieved by the Selected Participants before any of the Awarded Shares can be vested.
- 5.3 An Award shall be deemed to be declined in its entirety by a Selected Participant unless the Selected Participant shall within 10 business days after receipt of such notice from the Board notify the Company in writing that he would accept such Award. An Award not accepted within the said period of 10 business days shall lapse.

- 5.4 The Board shall notify the Trustee in writing upon the making of an Award under the Share Award Scheme by giving the Trustee an award notice.
- 5.5 No Award may be made by the Board during the periods as prescribed under the paragraph headed “Black-out Period” below.

6 MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SHARE AWARD SCHEME

6.1 Scheme Mandate Limit and Service Provider Sublimit

The aggregate maximum number of Shares which may be issued in respect of all options and awards to be granted under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the adoption of the Share Award Scheme. On the basis of 1,080,512,146 Shares in issue as at the Latest Practicable Date this would be 108,051,214 Shares, assuming there is no change in the issued share capital of the Company prior to the adoption of the Share Award Scheme.

Within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group must not in aggregate exceed 3% of the total number of Shares in issue as at the date of the adoption of the Share Award Scheme (the “**Service Provider Sublimit**”), subject to separate approval by the Shareholders in general meeting. On the basis of 1,080,512,146 Shares in issue as at the Latest Practicable Date this would be 32,415,364 Shares, assuming there is no change in the issued share capital of the Company prior to the adoption of the Share Award Scheme.

Awards and options lapsed in accordance with the terms of the Share Award Scheme or any other share schemes will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

6.2 Refreshing of Scheme Mandate Limit and Service Provider Sublimit

The Company may by ordinary resolution of the Shareholders refresh the Scheme Mandate Limit and/or the Service Provider Sublimit once every three years. However, the total number of Shares (i) which may be subscribed for and/or purchased by the Trustee for the purpose of the Share Award Scheme; and (ii) which may be issued in pursuant to any other share schemes of the Company under the limit as refreshed must not exceed 10% of the total number of Shares in issue as of the date of approval of the refreshed limit.

6.3 Limit for each Selected Participant

The total number of Shares, in a 12-month period up to and including the date of award, which may be subject to an Award or Awards to a Selected Participant together with any Shares to be issued under any options granted to such Selected Participant under any share schemes of the Company shall not (i) in aggregate exceed 1% of the total number of issued Shares as at the Adoption Date; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules (the “**Individual Limit**”). Where it is proposed that any offer is to be made to a Selected Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the 12-month period up to and including the date of award to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Selected Participant (or where appropriate, an existing grantee) and his, her or its close associates (or associates if the Selected Participant or existing grantee is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Selected Participant or grantee, the number and terms of Awards to be granted (and options and awards previously granted) to such Selected Participant and the information required under the Listing Rules, including but not limited to the purpose of granting Awards to the Selected Participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of Awards to be granted to such Selected Participant must be fixed before the date on which approval of the Shareholders is sought.

7 GRANTS OF AWARDS TO DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Any grant of Awards to any Director, chief executive or substantial Shareholder of the Company, or any of his respective associates, shall be subject to the prior approval of the Remuneration Committee (excluding any member who is a proposed recipient of the grant of the Award) and the INEDs (excluding any INED who is a proposed recipient of the grant of Awards). In addition:

- 7.1 where any grant of Awards (excluding grant of share options) to any Director (other than an INED), chief executive or substantial Shareholder of the Company, or any of his respective associates, would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant;
or

7.2 where any grant of Awards to an INED or substantial Shareholder of the Company (or any of his respective associates) would result in the number of Shares issued and to be issued upon exercise of all Awards already granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 12 month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue, such further grant of Awards must be approved by Shareholders of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules. In particular, the Company send a circular to the Shareholders. The Selected Participants, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

8 VOTING RIGHTS OF THE SHARES IN THE SHARES POOL

The Trustee shall not exercise the voting rights in respect of the Shares held under trust constituted by the Trust Deed. The Selected Participants shall not have any right to receive any Awarded Shares set aside for them unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants.

9 EQUITY ISSUE

During the period after an Award has been made and before the Shares are vested in the Selected Participant, if the Company offers to Shareholders new Shares or other securities for subscription by way of rights, options or warrants and no amount is required to be paid by the Shareholders, the Trustee may, after obtaining a written consent from the Board or its delegates, either sell or take steps to exercise any nil-paid rights, options or warrants allocated to it in respect of the Awarded Shares. The net proceeds of such sale (if so sold) shall be applied to subscription for and/or purchase of Shares for the Shares Pool. On the other hand, if the Company offers to the Shareholders new Shares or other securities for subscription by way of rights, options, warrants or open or preferential offer and consideration is required to be paid, the Trustee may, after obtaining a written consent from the Board or its delegates, either decline to or take steps to take up, purchase and/or subscribe for such rights, options, warrants or open or preferential offer.

10 VESTING OF THE AWARDED SHARES

10.1 Subject to the Listing Rules, the Board may from time to time, at its discretion, determine the Earliest Vesting Date and other subsequent date(s), if any, upon which the Awarded Shares (or the net sale proceeds thereof) held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant. The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date, provided that for Employee Participants (but not for the Service Providers), the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

10.1.1 grants of “make whole” Awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;

- 10.1.2 grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
 - 10.1.3 grants of Awards which are subject to the fulfilment of performance targets;
 - 10.1.4 grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;
 - 10.1.5 grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months; or
 - 10.1.6 grants of Awards with a total vesting and holding period of more than 12 months.
- 10.2 Unless otherwise provided in the Rules, at any time prior to a Vesting Date, unless the Board otherwise determines, in respect of a Selected Participant who died, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his death.
- 10.3 Subject to paragraph 10.4 below and lapsing of an Award as provided in paragraph 11 below, the Trustee shall transfer to and vest in any Selected Participant, at nil consideration, the legal and beneficial ownership of the Awarded Shares (or the net sale proceeds thereof) to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:
- 10.3.1 the earliest Vesting Date as specified in the award notice to which such Award relates;
 - 10.3.2 the receipt by the Trustee of the requisite information and documents stipulated by the Trustee within the stipulated period; and
 - 10.3.3 where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related award notice have been attained or paid and notified to the Trustee by the Board in writing.
- 10.4 If a general or partial offer, whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all Shareholders other than the offeror, any persons controlled by the offeror and any persons acting in association or concert with the offeror), and such offer becomes or is declared unconditional prior to the vesting of the Awarded Shares in the relevant Selected Participants pursuant to paragraph 10.3, the Selected Participant shall be entitled to, subject to the direction of the Board, be vested with all of his Awarded Shares at any time before the expiry of the period of 10 Business Days following the date on which the offer becomes or is declared unconditional.

10.5 Notwithstanding anything in provisions under the Share Award Scheme to the contrary, in no event shall the Vesting Date in respect of any Award granted to the Service Providers be less than 12 months from the Grant Date.

11 LAPSE OF AWARD

In the event that an Employee Participant ceases to be an employee by virtue of a corporate reorganisation of the Group, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

An Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Share Award Scheme, automatically lapse forthwith and all the Awarded Shares (or, as the case may be, the relevant Awarded Shares) shall become Returned Shares:

- 11.1 the Selected Participant ceases to be an Employee Participant (other than for reason as provided in the paragraph 10.2 above);
- 11.2 the subsidiary by which a Selected Participant is employed or, in respect of a deceased Selected Participant as provided in the paragraph 10.2 above, was employed immediately prior to his death, ceases to be a subsidiary of the Company (or of a member of the Group);
- 11.3 the Board shall at its absolute discretion determine in respect of a Service Provider that (a) the Service Provider or his associate has committed any breach of any contract entered into between the Service Provider or his associate on one part and any member of the Group on the other part as the Board may in its absolute discretion determine; or (b) the Selected Participant has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, or has been convicted any criminal offence involving his integrity or honesty;
- 11.4 the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reasons whatsoever;
- 11.5 an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company;
- 11.6 a Selected Participant is found to be an Excluded Participant; or
- 11.7 subject to the terms of the Share Award Scheme, a Selected Participant fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Shares awarded under the Share Award Scheme within the stipulated period.

12 CLAWBACK MECHANISM

If a Selected Participant has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, or the Selected Participant having done something which brings the Group into disrepute or cause damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), an Award (or, as the case may be, the relevant part of an Award) shall, under these circumstances and subject to the terms of the Share Award Scheme, automatically lapse forthwith and all the Awarded Shares (or, as the case may be, the relevant Awarded Shares) shall become Returned Shares.

13 ASSIGNMENT OF AWARDS

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant and the Board shall notify the Trustee in writing accordingly.

14 RIGHTS ATTACHING TO THE AWARDS AND THE AWARDED SHARES AND RANKING OF AWARDED SHARES

The Selected Participants shall not have any right to receive any Awarded Shares set aside for them under any Award unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants in accordance with the terms of the Share Award Scheme.

The Awarded Shares shall be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date when such Awarded Shares are vested in the Selected Participant and accordingly will have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to other fully-paid Shares in issue on such Vesting Date, save that they will not rank for any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Vesting Date.

15 CANCELLATION OF AWARDS GRANTED

The Board in its sole discretion may cancel an Award granted but remained unvested with the approval of the Selected Participant of such Award. Awarded Shares may be granted to an Eligible Participant in place of his/her cancelled Awarded Shares provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Awarded Shares cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

16 ALTERATION OF THE SHARE AWARD SCHEME

The Share Award Scheme may be altered by the prior sanction of a Board resolution, provided that no such alteration (i) is material in nature; (ii) relates to any matters set out under Rule 17.03 of the Listing Rules; or (iii) relates to the authority of the Board to alter the Share Award Scheme, where in any of such cases such alternation must be approved by the Shareholders in general meeting. The amended terms of the Share Award Scheme must comply with all applicable laws, rules and regulations (including without limitation the Listing Rules).

Any change to the terms of Awards granted must be approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be) if the initial Awards was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be).

17 DURATION OF THE SHARE AWARD SCHEME AND TERMINATION OF THE SHARE AWARD SCHEME

The Share Award Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant. Upon such termination:

- (i) no further Awards may be made but the rules of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed;
- (ii) details of the Awards granted (including Awards exercised or outstanding) and (if applicable) Awards that become void or non-exercisable as a result of the termination of the Share Award Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any other existing schemes of the Company after such termination;
- (iii) subject to the decision of the Board, all the Awarded Shares shall become vested in the Selected Participant on such date of termination.

If, at the date of the termination of the Share Award Scheme, the Trustee holds any Share which has not been set aside in favour of any Selected Participant or retains any unutilised funds received as contribution made by the Group, then the Trustee shall, within 21 business days (on which the trading of the Shares has not been suspended) after receiving actual notice of such termination, sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

18 EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company in accordance with legal requirements and the requirements of the Stock Exchange, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the Selected Participants. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date. The Trustee shall hold the Returned Shares to be applied in accordance with the provisions of the rules of the Share Award Scheme for the purpose of the Share Award Scheme.

Any adjustments made under the foregoing paragraph must give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled, but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any). The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or auditors of the Company must confirm to the Directors in writing that the adjustment satisfy the requirements of the relevant provision of the Listing Rules.

In the event of any alteration in the capital structure of the Company which may arise during the term of the Share Award Scheme from any issue of shares in or other securities of the Company by way of consolidation or subdivision of the share capital of the Company after the Scheme Mandate Limit and the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Awards to be granted under all the schemes of the Company under the Scheme Mandate Limit and the Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

19 BLACK-OUT PERIOD

For so long as the Shares are listed on the Stock Exchange:

- 19.1 an Award or, as the case may be, any instruction of the Board to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made or given when inside information has come to the Company's knowledge until (and including) the trading day after such inside information has been published in accordance with the Listing Rules and the SFO; and

19.2 the Board may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times when such an Award is prohibited under the Listing Rules, any corresponding code or securities dealing restrictions adopted by the Company and all applicable laws from time to time. In particular, during the one month period before the earlier of:

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

19.2.2 the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

20 CONDITIONS PRECEDENT OF THE SHARE AWARD SCHEME

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

- (i) the passing of an ordinary resolution by the Shareholders in the Extraordinary General Meeting to approve the adoption of the Share Award Scheme and to authorize the Board to grant Awards thereunder and to allot, issue and deal with Shares pursuant to the Awards;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Awarded Shares.

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

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purposes of the New Share Option Scheme are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group, to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for its further development of the Group.

2. ELIGIBLE PARTICIPANTS AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

An Eligible Participant means an Employee Participant or a Service Provider which the Board considers, in their sole discretion, to have contributed or will contribute to the Group. The Board shall determine the basis of eligibility of each Eligible Participant by taking into account such factors as the Board may at its discretion consider appropriate. The Directors will assess the eligibility of each of the Eligible Participants on a case-by-case basis.

With respect to the Employee Participants, the Board would mainly take into account of the experience of the Employee Participant on the Group's businesses, the length of service of the Employee Participant with the Group and the amount of support, assistance, guidance, advice, efforts and contributions the Employee 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 Employee Participant is likely to be able to give or make towards the success of the Group in the future. Assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

Further, with respect to the eligibility of each category of the Service Providers, the Board will consider the following factors:

(i) Supplier of services to any member of the Group

The Board will take into account, amongst others, (1) the nature, reliability and quality of the services supplied; (2) the frequency of transactions with the relevant Service Provider; (3) the length of business relationship with the Group; and/or (4) the potential and/or actual contribution to the business affairs of the Group, including revenue or profits attributable to or brought by products using services supplied by such Service Providers.

(ii) Adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group

The Board will take into account, amongst others, (1) the potential and/or actual scale and degree of cooperation with the Group; (2) the length of business relationship with the Group; (3) the potential and/or actual contribution to the Group's revenue or profits attributable to the Service Provider; and/or (4) their knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

(iii) A person or entity that engages in design and/or research and development work for any member of the Group

The Board will take into account, amongst others, (1) the reliability and quality of the services provided; (2) the frequency, scale and nature of the services provided; (3) the length of business relationship with the Group; (4) the potential and/or actual contribution to the business affairs of the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected contribution to the Group's revenue or profits attributable to the Service Provider; and/or (5) the knowledge and network in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between the relevant Service Provider and the Group, external business connections, strategic value, reputation and credibility).

To further ensure that the eligible Service Providers provide support to the Group on a continuing or recurring basis, the Board shall also give more weight to the length of business relationship with the Group and/or the frequency of transactions (as the case may be), benchmarked against other indicators mentioned in each category above and assessed on a case-by-case basis.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1. The total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and all options and awards to be granted under the Share Award Scheme and any other share option scheme(s) and share award scheme(s) of the Group (the “**Other Schemes**”) shall not in aggregate exceed 108,051,214, representing 10% of the Shares in issue on the Adoption Date unless the Company obtains an approval from the Shareholders pursuant to paragraph 3.6 below (the “**Scheme Mandate Limit**”). Options or awards lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) has been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the New Share Option Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same (rounded to the nearest whole Share).
- 3.2. Subject to paragraph 3.1 above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme and all options and awards to be granted under the Other Schemes shall not in aggregate exceed 32,415,364 Shares, representing 3% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”).
- 3.3. The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit and/or the Service Provider Sublimit set out in paragraphs 3.1 and 3.2 above under the New Share Option Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the New Share Option Scheme or the last refreshment.
- 3.4. Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (i) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

- 3.5. The requirements under paragraphs 3.4(i) and 3.4(ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the total issued Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.
- 3.6. The total number of Shares which may be issued in respect of all Options to be granted under the New Share Option Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total issued Shares as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- 3.7. The Company may seek separate approval by the Shareholders in its general meeting for granting Options beyond the Scheme Mandate Limit and/or the Service Provider Sublimit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each Eligible Participant, and 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 all such information as may be required under the Listing Rules. The number and terms of Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Options to be granted, 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.

4. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

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

granted (and Options previously granted) to such Eligible Participant and the information required under the Listing Rules, including but not limited to the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

5. ACCEPTANCE OF OPTION

Offers to grant an Option shall be open for acceptance in writing. Such acceptance must be received by the Company within a period of twenty-one (21) business days inclusive of, and from, the Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New Share Option Scheme or after the New Share Option Scheme has been terminated; or by a person who ceases to be an Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant with the number of Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 per Option by way of consideration for the grant thereof. Such consideration shall not be refundable. An offer of the grant of an Option not accepted within the said period of twenty-one (21) business days shall lapse.

Upon an offer of the grant of Options being accepted or deemed to have been accepted, each Option Holder gives the Company an unfettered right to publish an announcement relating to the terms of the offer in accordance with the Listing Rules.

6. PERIOD WITHIN WHICH THE OPTION MAY BE EXERCISED

Save as provided in paragraphs 7, 9 to 12 below, the Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. In order for the exercise of an Option to be effective, the Company must, prior to the expiry of the Option Period, have received: (i) a written notice from the Option Holder of the intention to exercise the Option, signed by or on behalf of the Option Holder and specifying the number of Shares in respect of which the Option is intended to be exercised; and (ii) payment in full of the Subscription Price. Notwithstanding anything in provisions under the New Share Option Scheme to the contrary, the Option Period shall not be extended and, on the expiry of the Option Period, all rights in respect of an Option for the time being outstanding shall terminate, except in so far as there has been an effective exercise of that Option prior thereto and the Company has not discharged all its obligations under the New Share Option Scheme in relation to such exercise.

7. VESTING PERIOD OF OPTION

- 7.1. Save for the circumstances prescribed in paragraph 7.2 below, an Option must be held by the Option Holder for at least twelve (12) months before the Option can be exercised. Notwithstanding anything in provisions under the New Share Option Scheme to the contrary, in no event shall the vesting period in respect of any Option granted to the Service Providers be less than twelve (12) months.
- 7.2. A shorter vesting period may be granted to the Employee Participants (but not the Service Providers) at the discretion of the Board as deemed appropriate at the sole discretion of the Board in any of the following circumstances:
- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months; and
 - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

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

8. OPTION PRICE

The Option Price (subject to adjustments in accordance with paragraph 15 below) shall be determined on the Date of Grant at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, which must be a trading day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) trading days immediately preceding the Date of Grant; and (c) the nominal value of the Shares on the Date of Grant, provided that the Option Price shall be subject to adjustment in accordance with the provisions of paragraph 15 below.

9. RIGHTS ON WINDING UP

If notice is given of a general meeting of the Company at which a resolution will be proposed for the members' voluntary winding-up of the Company, each Option Holder shall be entitled, at any time not later than two (2) business days prior to the proposed resolution being duly passed, to exercise his or her outstanding Options in whole or in part, but only so far as such Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

10. RIGHTS ON A GENERAL OFFER

If, in consequence of any general offer made to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of the Company, each Option Holder shall be entitled to exercise at any time within a period of fourteen (14) business days after such control has been obtained the Option in whole or in part, unless the Directors (excluding the relevant Option Holder who is a Director) in their discretion notwithstanding the terms of the relevant Option, vary the option exercise period of such Options granted.

11. RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or an arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holders on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or an arrangement, and thereupon any Option Holder (or where permitted his or her personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Option but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require each Option Holder to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Option Holders in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

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

- (i) in the event that the Option Holder ceases to be an Eligible Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Option Holder's employment, directorship, office, appointment or engagement under sub-paragraph (ii) below arises prior to his or her death, the legal personal representative(s) of the Option Holder shall be entitled within a period of twelve (12) months from the date of death, to exercise the Option up to the entitlement of such Option Holder as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);

- (ii) in the event that the Option Holder ceases to be an Eligible Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on the grounds that he or she has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his or her employment, directorship, appointment or engagement at common law or pursuant to any applicable laws or under the Option Holder's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Option Holder is terminated by the relevant company pursuant to the contract thereof without notice, and a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, appointment or engagement of an Option Holder has or has not been terminated on one or more of the grounds specified in this sub-paragraph shall be conclusive and binding, then all his or her outstanding Options shall lapse and determine on the date he or she so ceases; in addition, in such event, any Option(s) exercised by the Option Holder the Shares of which have not been allotted shall, unless the Board determines otherwise, be deemed not to have been so exercised and the Company shall return to the Option Holder the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option(s);
- (iii) in the event that the Option Holder ceases to be an Eligible Participant by reason of his or her retirement in accordance with his or her contract of employment or service, any outstanding Option(s) may be exercised during the Option Period subject to the criteria and conditions set out in the Offer Letter; and
- (iv) for any reason other than as described in sub-paragraphs (i) to (iii) above, then all Options of his or her which are exercisable at the date he or she ceases to be an Eligible Participant may be exercised to the extent then exercisable within three (3) months of the date he or she so ceases and unless so exercised shall then lapse and determine;

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

13. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of ten (10) years commencing on the Effective Date (the "**Scheme Period**").

14. LAPSE OF OPTION

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

- 14.1. the expiry of the Option Period;
- 14.2. the expiry of any of the periods referred to in paragraphs 10 (unless otherwise determined by the Directors), 11 and 12 above; and
- 14.3. subject to paragraph 9 above, the date of the commencement of the winding-up of the Company.

The Company shall owe no liability to an Option Holder for the lapse of any Option under this paragraph 14.

15. ADJUSTMENT

In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company in accordance with legal requirements and the requirements of the Stock Exchange (other than an issue of Shares as consideration in respect of a transaction in which the Company and/or any of its subsidiaries is a party), the Option Price and/or the amounts of multiples of Shares capable of being exercised pursuant to the New Share Option Scheme, may be adjusted in such manner as the Directors (having received a statement in writing from the independent auditors or independent financial adviser of the Company, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:-

- (a) the aggregate Subscription Price relating to any Option being increased;
- (b) the proportion of equity capital, rounded to the nearest whole share of the Company to which the Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he or she was entitled before;
- (c) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall not be greater than the Scheme Mandate Limit (subject to adjustments);
- (d) the aggregate percentage of the issued share capital of the Company available for the grant of Options to the Service Providers shall not be greater than the Service Provider Sublimit (subject to adjustments);
- (e) the Option Price for a Share being less than its nominal value; and
- (f) the intrinsic value of any Option to have increased to the advantage of the Option Holder.

In addition, in respect of any adjustments under this paragraph 15, other than any adjustment made on a capitalisation issue, the independent auditors or independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

16. CANCELLATION OF OPTIONS GRANTED

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

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in the general meeting may at any time terminate the operation of the New Share Option Scheme before the expiry of the Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the New Share Option Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the New Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any existing Other Schemes after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New Share Option Scheme, and accordingly no relevant disclosure in relation to the Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange, on a case-by-case basis, to allow a transfer to vehicle that would continue to meet the purpose of the New Share Option Scheme and comply with the requirements under Chapter 17 of the Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

- 19.1. The Directors may from time to time in their absolute discretion waive or amend such of the provisions of the New Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Shareholders in the general meeting, no alteration shall be made to the New Share Option Scheme altering to the advantage of Option Holders (present or future) any of the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” in sub-paragraph 1.1 of the New Share Option Scheme, the terms and conditions of the New Share Option Scheme which are of a material nature and all such other matters set out in Rule 17.03 of the Listing Rules.
- 19.2. No amendments to the New Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with such consent on their part as would be required under the provisions of the Articles as if the Options constituted a separate class of share capital and as if such provisions applied mutatis mutandis thereto.
- 19.3. Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the INEDs and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- 19.4. Save as otherwise provided in the terms of the New Share Option Scheme, an amendment of a material nature to the New Share Option Scheme may not be made by the Directors, without the prior approval of Shareholders in the general meeting.
- 19.5. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of the Listing Rules.
- 19.6. Any change to the authority of the Directors to alter the terms of the New Share Option Scheme must be approved by the Shareholders in the general meeting.

20. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

The Directors may specify minimum performance targets (if any) that must be reached before an Option is capable of being exercised by the Option Holder. Such performance targets shall include: financial targets such as net profit after tax for the year of the Group and management targets (such as stakeholder engagement, productivity, client satisfaction etc.) 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 Option Holder. The Directors (or, as the case may be, the Remuneration Committee), will conduct assessment at the end of a performance period by comparing (i) the general performance of business segments and (ii) individual performance of the Eligible Participants against the

pre-agreed performance targets to determine whether the targets have been met, and the extent. During the internal appraisal process conducted by the Directors (or, as the case may be, the Remuneration Committee) with each Eligible Participant to assess the potential value such Eligible Participant may bring to the Group in the future, a variety of factors will be taken into consideration, including but not limited to: (i) past contribution made by an Eligible Participant; (ii) role and position of the Eligible Participant within the Group; (iii) corporate culture; and (iv) focus of business strategies.

For the avoidance of doubt, the New Share Option Scheme itself does not specify any performance targets and hence save as determined by the Board in its sole discretion and provided in the Offer Letter, there is no performance target that must be reached before an Option is capable of being exercised by the Option Holder.

Save for in the event of winding up or a compromise or arrangement in paragraphs 9 and 11 or the circumstances prescribed in paragraph 12(ii) above, unless otherwise imposed by the Directors and stated in the relevant Offer Letter, there is no clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants.

21. GRANT OF OPTIONS TO CONNECTED PERSONS

21.1. In addition to paragraph 4 above, any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the INEDs (excluding any INED who is a proposed grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

21.2. Where Options are proposed to be granted to an INED or a substantial Shareholder, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme) granted to such person in the twelve (12)-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of Shares in issue, then the proposed grant must be subject to the approval of the Shareholders taken on a poll in a general meeting.

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

22. CONDITIONS OF THE NEW SHARE OPTION SCHEME

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

- 22.1. the passing of the necessary resolutions by the Shareholders in a general meeting to adopt the New Share Option Scheme and to authorise the Directors to grant Options to subscribe for the Shares hereunder and to allot, issue and deal with the Shares pursuant to the exercise of any Options granted under the New Share Option Scheme;
- 22.2. the passing of an ordinary resolution by the Shareholders in a general meeting to terminate the Existing Share Option Scheme; and
- 22.3. the approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options under the New Share Option Scheme, being granted by the Listing Committee. If such approval, listing or permission is not granted, then the New Share Option Scheme shall forthwith determine and any Option granted or agreed to be granted pursuant to provisions of the New Share Option Scheme and any offer of Options shall be of no effect after which, no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the New Share Option Scheme or any Option.

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* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Options themselves, however, do not carry any voting, dividend, transfer or other rights, including those arising on a liquidation of the Company, prior to their being exercised and the underlying Shares being issued.

24. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



China Boton Group Company Limited 中國波頓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3318)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the shareholders (the “EGM”) of China Boton Group Company Limited (the “Company”) will be held at Conference Room, ANPA Financial Services Group Limited, Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong on 11 December 2023, Monday at 3:00 pm to consider and, if thought fit, to pass with or without modifications the following ordinary resolutions:

ORDINARY RESOLUTIONS

(1) “**THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, on the Stock Exchange (among others) the shares of the Company which may be granted, allotted and issued from time to time under the share award scheme of the Company (the terms of which are contained in the document produced to the meeting marked “A” for identification purposes) (the “**Share Award Scheme**”), the Share Award Scheme be and is hereby approved and adopted; and any director of the Company or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Award Scheme, including but without limitation:

- (i) to administer the Share Award Scheme under which award shares will be granted to the Eligible Participants eligible under the Share Award Scheme to subscribe for Shares, including but not limited to determining and granting the award shares in accordance with the terms of the Share Award Scheme;
- (ii) to modify and/or amend the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Award Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to grant award shares under the Share Award Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the award shares to be granted under the Share Award Scheme and subject to the Listing Rules and the laws in Cayman Islands;

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- (iv) to make application at appropriate time or times to the Hong Kong Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the award shares to be granted under the Share Award Scheme and subject to the Listing Rules and the laws in Cayman Islands; and
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Award Scheme and subject to the Listing Rules and the laws in Cayman Islands.”
- (2) **“THAT:**
- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, on the Stock Exchange (among others) the shares of the Company which may be allotted and issued upon the exercise of the options granted from time to time under the new share option scheme of the Company (the terms of which are contained in the document produced to the meeting marked “B” for identification purposes) (the **“New Share Option Scheme”**), the New Share Option Scheme be and is hereby approved and adopted, and the board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s) pursuant to the terms of the New Share Option Scheme) be and is/are hereby authorised for and on behalf of the Company to do any and all such acts and things and to enter into, execute and deliver (and affix the Company’s common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/their absolute discretion consider necessary or expedient in connection with or for the purposes of the New Share Option Scheme and/or any of the matters contemplated thereby, including without limitation:
 - (i) to administer and operate the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;
 - (ii) to modify and/or amend the New Share Option Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
 - (iii) to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the exercise of the options granted from time to time under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;

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- (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, on the Stock Exchange (among others) any shares in the Company which may from time to time be allotted and issued pursuant to the exercise of the options granted from time to time under the New Share Option Scheme, and where any such application has been made prior to the date of passing this resolution, the same be and is hereby approved, confirmed and ratified in all respects;
 - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
 - (vi) in addition and without prejudice to the foregoing, any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to enter into, execute and deliver (and affix the Company's common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/their absolute discretion consider necessary or expedient involving any and all service providers engaged by or on behalf of the Company from time to time in connection with or for the purposes of the implementation, administration and operation of the New Share Option Scheme.
- (b) subject to and conditional upon the matters set out in number (2)(a) above, the existing share option scheme adopted by the Company's then shareholders on 8 May 2015 (the "**Existing Share Option Scheme**") be and is hereby terminated upon which the Existing Share Option Scheme shall cease to have any further force with effect from the date on which the New Share Option Scheme becomes unconditional and effective, except that the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of the options granted under the Existing Share Option Scheme prior to its termination, its termination and ancillary matters or otherwise to the extent as may be required in accordance with the terms of the Existing Share Option Scheme."
- (3) **“THAT:**
- (a) the limit on the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group being 10% (or such other percentage which may be specified by the Hong Kong Stock Exchange from time to time) of the total number of Shares in issue as at the date of passing this resolution (the "**Scheme Mandate Limit**") be and is hereby approved; and

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- (b) conditional upon the Share Award Scheme and the New Share Option Scheme being approved and adopted and within the Scheme Mandate Limit, the limit on the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers (as defined in the Share Award Scheme and the New Share Option Scheme) under the Share Award Scheme, the New Share Option Scheme and any other share schemes of the Group being 3% of the Shares in issue as at the date of passing this resolution be and is hereby approved.”

By Order of the Board
China Boton Group Company Limited
Wang Ming Fan
Chairman

Hong Kong, 23 November 2023

Registered Office:

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

*Head Office and Principal Place
of Business in Hong Kong:*

Flat A-B, 37/F
Boton Technology Innovation Tower
368 Kwun Tong Road
Kowloon
Hong Kong

Notes:

- (a) The register of members of the Company will be closed from 6 December 2023 to 11 December 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the Extraordinary General Meeting, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4: 30 p.m. on 5 December 2023.
- (b) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
- (c) Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the Extraordinary General Meeting or any adjourned meeting.
- (d) With reference to resolution above proposing the adoption of the Share Award Scheme at the EGM, summaries of the principal terms of the Share Award Scheme are set out in Appendix I to the circular dated 23 November 2023.
- (e) With reference to resolution above proposing the adoption of the New Share Option Scheme at the EGM, summaries of the principal terms of the New Share Option Scheme are set out in Appendix II to the circular dated 23 November 2023.
- (f) The ordinary resolutions set out above will be determined by way of poll.