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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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## SY HOLDINGS GROUP LIMITED

盛業控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6069)**

### PROPOSALS FOR

- (1) DECLARATION OF FINAL DIVIDEND,
  - (2) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,
  - (3) RE-ELECTION OF RETIRING DIRECTORS,
  - (4) RE-APPOINTMENT OF AUDITORS,
  - (5) GRANTING OF GENERAL, REPURCHASE AND EXTENSION MANDATES,
  - (6) ADOPTION OF THE SHARE SCHEME AND TERMINATION OF THE EXISTING SHARE SCHEMES,
- AND
- ### NOTICE OF 2024 ANNUAL GENERAL MEETING
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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 20 of this circular. A notice convening the 2024 annual general meeting of the Company to be held on Tuesday, 21 May 2024 at 2:00 p.m. (“**2024 AGM**”) at 18/F, Tower 2, Kerry Plaza, 1-1 Zhong Xin No. 4 Road, Futian, Shenzhen at which or any adjournment thereof to approve the matters referred to in this circular is set out on pages 47 to 51 of this circular. A proxy form for use at the 2024 AGM is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.syholdings.com](http://www.syholdings.com).

Whether or not you are able to attend the 2024 AGM in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding the 2024 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the 2024 AGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

29 April 2024

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## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “2023 Annual Report”      | the annual report of the Company for the financial year ended 31 December 2023 despatched to the Shareholders on 26 April 2024;   |
| “2024 AGM”                | the 2024 annual general meeting of the Company convened to be held on Tuesday, 21 May 2024 at 2:00 p.m. at 18/F, Tower 2, Kerry Plaza, 1-1 Zhong Xin No. 4 Road, Futian, Shenzhen at which or any adjournment thereof, notice of which is set out on pages 47 to 51 of this circular; |
| “2024 AGM Notice”         | the notice convening the 2024 AGM as set out on pages 47 to 51 of this circular;  |
| “Actual Selling Price”    | the proceeds from the sale of the Award Shares net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs;   |
| “Adoption Date”           | the date of fulfillment of the condition set out in the paragraph headed “25. CONDITION OF THE SHARE SCHEME” of Appendix III to this circular;  |
| “Articles of Association” | the third amended and restated articles of association of the Company;  |
| “associate(s)”            | has the meaning ascribed to it under the Listing Rules;   |
| “Audit Committee”         | the audit committee of the Board;   |
| “Auditors”                | the auditors of the Company;  |
| “Award”                   | an award granted under the Share Scheme, which may be a Share Option or a Share Award;  |
| “Award Shares”            | Shares underlying an Award, which may be satisfied by way of new Shares allotted and issued by the Company or treasury shares of the Company (to the extent permitted by the Listing Rules, applicable laws and regulations and the constitutional documents of the Company);         |
| “Board”                   | the board of Directors;   |
| “Business Day”            | any day on which the Stock Exchange is open for the business of dealing in securities listed thereon;   |
| “close associate(s)”      | has the meaning ascribed to it under the Listing Rules;   |

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## DEFINITIONS

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|                                |   |
|--------------------------------|---|
| “Company”                      | SY Holdings Group Limited 盛業控股集團有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (stock code: 6069);  |
| “Consultation Conclusions”     | Consultation Conclusions on the Proposed Amendments to Listing Rules relating to Treasury Shares published by the Stock Exchange on 12 April 2024;  |
| “Controlling Shareholder(s)”   | has the meaning ascribed to it under the Listing Rules;   |
| “core connected person(s)”     | has the meaning ascribed to it under the Listing Rules;   |
| “Directors”                    | the directors of the Company;   |
| “Eligible Participants”        | an Employee Participant or Related Entity Participant, and for the purposes of the Share Scheme, the Offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable); |
| “Employee Participants”        | the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards under the Share Scheme as inducement to enter into employment contracts with any member of the Group);  |
| “Exercise Period”              | in respect of any Award (which may be Share Option and/or Share Award), the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth (10th) anniversary of the offer date with respect of the relevant Award;   |
| “Exercise Price”               | with respect to a particular Share Option, the price per Share at which the relevant Grantee may subscribe for the Shares on the exercise of the particular Share Option;   |
| “Exercised Award Shares”       | such number of Award Shares that have been exercised by a Grantee upon vesting of an Award (which may be Share Option and/or Share Award);  |
| “Existing RSU Scheme”          | the existing restricted share unit scheme of the Company adopted by the Board on 6 April 2022;  |
| “Existing Share Option Scheme” | the existing share option scheme of the Company conditionally adopted by the Shareholders on 19 June 2017 and took effect since the Listing Date;   |

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## DEFINITIONS

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|---------------------------|--|
| “Existing Share Schemes”  | the Existing Share Option Scheme and the Existing RSU Scheme;  |
| “Extension Mandate”       | a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate;   |
| “General Mandate”         | a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) with the number of Shares not exceeding 20% of the total number of Shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution at the 2024 AGM; |
| “Grantee”                 | any Eligible Participant who accepts the Offer in accordance with the terms of the Share Scheme;   |
| “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;  |
| “Issue Price”             | in respect to a particular Share Award, the price per Share at which the relevant Grantee is required to pay to subscribe for the Shares comprising the Share Award;   |
| “Latest Practicable Date” | 26 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;   |
| “Listing Date”            | 6 July 2017, being the date on which dealing in the Shares first commenced on the GEM of the Stock Exchange;   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;  |
| “Memorandum”              | the third amended and restated memorandum of association of the Company;   |
| “Minimum Period”          | with respect to an Award (which may be Share Option and/or Share Award), the period commences on the offer date and ending on the day immediately prior to the expiry of the twelve (12)-month period thereof;   |
| “Nomination Committee”    | the nomination committee of the Board;   |
| “Offer”                   | an offer to an Eligible Participant for the grant of an Award (which may be Share Option and/or Share Award);  |

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## DEFINITIONS

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|                               |   |
|-------------------------------|---|
| “PRC”                         | the People’s Republic of China;   |
| “Related Entities”            | the holding companies, fellow subsidiaries or associated companies of the Company;  |
| “Related Entity Participants” | the directors and employees (whether full-time, part-time or other employment arrangement) of the Related Entities;   |
| “Remuneration Committee”      | the remuneration committee of the Board;  |
| “Repurchase Mandate”          | a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares of the number of Shares not exceeding 10% of the total number of Shares in issue (excluding treasury shares) as at the date of passing the relevant resolution at the 2024 AGM;   |
| “Retiring Directors”          | the Directors retiring at the 2024 AGM and, being eligible, who offer themselves for re-election at the 2024 AGM, in accordance with the Articles of Association;   |
| “Scheme Mandate Limit”        | has the meaning defined in the paragraph headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” of Appendix III to this circular;   |
| “SFO”                         | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;  |
| “Share Award”                 | an Award which vests as a right to subscribe for Award Shares at the Issue Price during the Exercise Period pursuant to the Share Scheme;   |
| “Share Option”                | an Award which vests as a right to subscribe for Award Shares at the Exercise Price during the Exercise Period pursuant to the Share Scheme;  |
| “Share Scheme”                | the share scheme proposed to be adopted by the Company at the 2024 AGM;   |
| “Share(s)”                    | ordinary share(s) of HK\$0.01 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction; |
| “Shareholder(s)”              | registered holder(s) of Share(s);   |

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## DEFINITIONS

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|                              |  |
|------------------------------|--|
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited;   |
| “substantial shareholder(s)” | has the same meaning ascribed to it under the Listing Rules;   |
| “Takeovers Code”             | the Code on Takeovers and Mergers;   |
| “Termination Date”           | close of business of the Company on the date which falls on the date immediately prior to the tenth (10th) anniversary of the Adoption Date, or such earlier date as the Share Scheme is terminated in accordance of the terms thereunder; |
| “treasury shares”            | has the meaning ascribed to it under the Listing Rules which will come into effect on 11 June 2024 and as amended from time to time;   |
| “Trust(s)”                   | has the meaning defined in the paragraph headed “2. ADMINISTRATION OF THE SHARE SCHEME” of Appendix III to this circular; and  |
| “%”                          | per cent.  |

*The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.*

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## LETTER FROM THE BOARD

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### SY HOLDINGS GROUP LIMITED

盛業控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6069)**

**Board of Directors:**

***Executive Directors:***

Mr. Tung Chi Fung (*Chairman*)

Mr. Chen Jen-Tse

***Non-executive Director:***

Mr. Lo Wai Hung

***Independent Non-executive Directors:***

Mr. Loo Yau Soon

Mr. Fong Heng Boo

Mr. Tang King San Terence

Ms. Chan Yuk Ying Phyllis

***Company Secretary:***

Mr. Wang Zheng

**Registered Office:**

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

**Headquarters and principal place of  
business in the Mainland China:**

10/F and 18/F

Kerry Plaza Tower 2

1-1 Zhong Xin No. 4 Road

Futian, Shenzhen 518048

PRC

**Principal Place of Business in Hong Kong:**

Room 4202, 42/F

Tower 1, Lippo Centre

89 Queensway, Admiralty

Hong Kong SAR

29 April 2024

*Dear Shareholder(s),*

**PROPOSALS FOR**  
**(1) DECLARATION OF FINAL DIVIDEND,**  
**(2) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**AND REPORTS OF DIRECTORS AND AUDITORS,**  
**(3) RE-ELECTION OF RETIRING DIRECTORS,**  
**(4) RE-APPOINTMENT OF AUDITORS,**  
**(5) GRANTING OF GENERAL, REPURCHASE AND EXTENSION MANDATES,**  
**(6) ADOPTION OF THE SHARE SCHEME AND TERMINATION OF**  
**THE EXISTING SHARE SCHEMES,**  
**AND**  
**NOTICE OF 2024 ANNUAL GENERAL MEETING**



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# LETTER FROM THE BOARD

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## 1. INTRODUCTION

The purpose of this circular is to give Shareholders notice of the forthcoming 2024 AGM to be held on Tuesday, 21 May 2024 at 2:00 p.m. at 18/F, Tower 2, Kerry Plaza, 1-1 Zhong Xin No. 4 Road, Futian, Shenzhen at which or any adjournment thereof. The circular also provides information regarding resolutions to be proposed at the 2024 AGM, in particular, the proposed resolutions to approve (i) declaration of a final dividend; (ii) the adoption of the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2023; (iii) the re-election of the Retiring Directors; (iv) the proposed re-appointment of the Auditors; (v) the grant to the Board general mandates to issue and repurchase Shares; and (vi) the adoption of the Share Scheme.

## 2. DECLARATION OF FINAL DIVIDEND

Reference is made to the annual results announcement for the year ended 31 December 2023 of the Company dated 21 March 2024. The Board has recommended a final cash dividend for the year ended 31 December 2023 of HK\$0.269 per ordinary Share, payable on 17 June 2024 to those Shareholders whose names appear on the Company's register of members on 28 May 2024, which is subject to the approval of the Shareholders at the 2024 AGM and in compliance with the Articles of Association and any other applicable laws of the Cayman Islands. An ordinary resolution will be proposed at the 2024 AGM to approve the declaration of the final dividend.

## 3. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2023

The audited consolidated financial statements of the Company for the year ended 31 December 2023 together with the reports of the Directors and the Auditors, are set out in the 2023 Annual Report which has been despatched to the Shareholders on 26 April 2024. The 2023 Annual Report may be viewed and downloaded from the Company's website ([www.syholdings.com](http://www.syholdings.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The audited consolidated financial statements have been reviewed by the Audit Committee.

## 4. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of two Executive Directors, namely, Mr. Tung Chi Fung (Chairman) and Mr. Chen Jen-Tse, one Non-executive Director, namely, Mr. Lo Wai Hung, and four Independent Non-executive Directors, namely, Mr. Loo Yau Soon, Mr. Fong Heng Boo, Mr. Tang King San Terence and Ms. Chan Yuk Ying Phyllis.

Pursuant to article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Chen Jen-Tse, Mr. Lo Wai Hung and Mr. Fong Heng Boo shall retire at the 2024 AGM and being eligible, offer themselves for re-election.

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## LETTER FROM THE BOARD

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The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the 2024 AGM. The nominations were made in accordance with the Nomination Policy of the Company and the objective criteria for the nominations include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the Board Diversity Policy of the Company.

In recommending Mr. Chen Jen-Tse, Mr. Lo Wai Hung and Mr. Fong Heng Boo to stand for re-election as an Executive Director, a Non-executive Director and an Independent Non-executive Director respectively, the Nomination Committee has considered the following backgrounds and attributes of the nominees concerned:

- (a) Mr. Chen Jen-Tse, has over 20 years of experience in the factoring industry. Prior to joining the Group, Mr. Chen worked in various positions in financial institutions. From January 1998 to May 2007, he served in the Accounts Receivable Operations Department (帳款處理作業科) in Chailease Finance Co., Ltd. (中租迪和股份有限公司) (previously known as CITC Company (迪和股份有限公司)). From May 2007 to June 2008, he worked as an Assistant Vice President (Receivable Finance) of the Commercial Banking Department in the Hongkong and Shanghai Banking Corporation Limited Taipei branch. From June 2008 to June 2014, he worked as a manager of the Trade Finance Department (SBU) in China Minsheng Banking Group.
- (b) Mr. Lo Wai Hung has over 25 years of experience in auditing, finance and management. Mr. Lo obtained a Bachelor of Commerce Degree from the James Cook University of North Queensland in Australia in May 1985. He became an associate member of the Institute of Chartered Accountants in Australia and New Zealand in April 1991 and became a member and a fellow member of the Hong Kong Institute of Certified Public Accountants in February 1992 and November 1999, respectively.
- (c) Mr. Fong Heng Boo has over 45 years of experience in auditing, finance, risk management, business development and corporate governance. He obtained a Bachelor of Accountancy (Honours) from the University of Singapore in August 1973. Mr. Fong has been admitted as a fellow chartered accountant of Singapore of the Institute of Singapore Chartered Accountants since August 2004.

The Nomination Committee considered that in view of their diverse background and knowledge and experience in the factoring industry, auditing, finance, management, business development and corporate governance and as set out in Appendix I to this circular, the appointments of Mr. Chen Jen-Tse to stand for re-election as an Executive Director, Mr. Lo Wai Hung as a Non-executive Director and Mr. Fong Heng Boo as an Independent Non-executive Director will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

The Nomination Committee has also assessed the independence of all the Independent Non-executive Directors. All the Independent Non-executive Directors satisfy the Independence Guidelines set out in Rule 3.13 of the Listing Rules and have provided to the Company an annual written confirmation of their independence.

Details of the Retiring Directors that are required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 5. RE-APPOINTMENT OF AUDITORS

The Board (which agreed with the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the 2024 AGM, Deloitte Touche Tohmatsu be re-appointed as the Auditors for 2024.

### 6. GRANTING OF GENERAL, REPURCHASE AND EXTENSION MANDATES

Pursuant to the ordinary resolutions passed at the 2023 annual general meeting of the Company held on 14 June 2023, the Directors were granted general mandates to issue new Shares and to buy back existing Shares. Unless otherwise renewed, such general mandates will lapse at the conclusion of the 2024 AGM.

Pursuant to the Consultation Conclusions published by the Stock Exchange on 12 April 2024, proposed amendments to the Listing Rules relating to treasury shares will come into effect on 11 June 2024, which provide for, among other things, (i) the removal of the requirement on issuers to cancel repurchased shares, such that issuers may hold the repurchased shares in treasury subject to the laws of their places of incorporation and their constitutional documents; (ii) the resale of treasury shares by an issuer to follow the Listing Rules that currently apply to an issue of new shares; and (iii) the exclusion of treasury shares from an issuer's issued or voting shares under various parts of the Listing Rules.

Taking into consideration of the foregoing, at the 2024 AGM, separate ordinary resolutions will be proposed to grant to the Directors (i) a General Mandate to issue, allot and dispose of such number of additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) not exceeding 20% of the total number of Shares in issue (excluding treasury shares) at the date of the passing of the relevant resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution); and (ii) a Repurchase Mandate to repurchase Shares not exceeding 10% of total number of Shares in issue (excluding treasury shares) at the date of the passing of the relevant resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution).

As at the Latest Practicable Date, a total of 989,750,000 Shares were in issue; and there were 1,219,000 repurchased shares pending cancellation (the "Repurchased Shares"), all of which are expected to be cancelled prior to the 2024 AGM. Upon completion of the cancellation of the Repurchased Shares and assuming there being no other changes to the issued share capital of the Company, the Company will have a total of 988,531,000 Shares in issue. Subject to the passing of the proposed resolution granting the General Mandate to the Directors and on the basis that all Repurchased Shares will be cancelled prior to the 2024 AGM, no Shares will be issued or repurchased by the Company and the Company does not have any treasury shares prior to the 2024 AGM, the Company will be allowed under the General Mandate to issue additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) involving a maximum of 197,706,200 Shares. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company will be allowed and to repurchase a maximum of 98,853,100 Shares, on the basis that no further Shares will be issued or repurchased by the Company and the Company does not have any treasury shares prior to the date of the 2024 AGM.

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## LETTER FROM THE BOARD

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In addition, subject to the passing of the resolutions to grant the General Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2024 AGM to authorise the Directors to extend the General Mandate to allot and issue additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) by an amount of Shares representing the number of Shares purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares (excluding treasury shares) as at the date of passing the resolution for approving the Repurchase Mandate.

With reference to these resolutions, the Board wishes to state that it has no immediate plans to issue any new Shares pursuant to such mandate.

The General Mandate and the Repurchase Mandate will expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.

An explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchanges of their own securities on the Stock Exchanges, to provide requisite information to the Shareholders for considering the proposal to authorise the Board to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of this ordinary resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution) is set out in Appendix II to this circular.

### **7. PROPOSED ADOPTION OF THE SHARE SCHEME AND TERMINATION OF THE EXISTING SHARE SCHEMES**

#### **(1) Introduction**

The Company proposes to adopt the Share Scheme in compliance with the amendments of Chapter 17 of the Listing Rules that came into effect on 1 January 2023 to replace the Existing Share Schemes.

The Existing Share Option Scheme was conditionally adopted by the Shareholders on 19 June 2017 and took effect since the Listing Date. Since the adoption of the Existing Share Option Scheme and as at the Latest Practicable Date, the Company has granted in aggregate 49,990,000 share options to eligible participants under the Existing Share Option Scheme, of which 10,662,500 have been exercised, 23,702,500 have lapsed and 15,625,000 remain outstanding. None of the share options granted under the Existing Share Option Scheme will become void or non-exercisable as a result of the termination of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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The Existing RSU Scheme was adopted by the Board on 6 April 2022. Since the adoption of the Existing RSU Scheme and as at the Latest Practicable Date, the Company has granted in aggregate 1,340,000 restricted share units to eligible persons under the Existing RSU Scheme, of which 290,000 have lapsed. As at the Latest Practicable Date, 1,050,000 restricted share units granted under the Existing RSU Scheme remain unvested and shall remain in full force and effect in all respects.

The Board has no intention of granting any further share options or restricted share units under the Existing Share Option Scheme and the Existing RSU Scheme during the period from the Latest Practicable Date up to the date of the 2024 AGM.

Taking into account the Consultation Conclusions and the relevant amendments to the Listing Rules which will come into effect on 11 June 2024, it is proposed that, under the terms of the Share Scheme, the Company may issue new Shares or, to the extent permitted under the Listing Rules, applicable laws and regulations and the constitutional documents of the Company, use treasury shares to satisfy grants made under the Share Scheme. A summary of the principal terms of the Share Scheme is set out in the Appendix III to this circular.

**(2) Purpose**

The purpose of the Share Scheme is set out in the paragraph headed “1. PURPOSE” in Appendix III to this circular.

**(3) Condition**

The adoption of the Share Scheme is conditional upon the passing of an ordinary resolution to approve and adopt the Share Scheme by the Shareholders in a general meeting of the Company.

**(4) Eligible Participants**

The Eligible Participants are the Employee Participants and the Related Entity Participants. Details of the Eligible Participants and the criteria for determination of their eligibility are set out in the paragraph headed “3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY” in Appendix III to this circular.

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## LETTER FROM THE BOARD

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The scope of the Eligible Participants is not limited to the employees of the Group and the Directors. The Board (including the independent non-executive Directors) is of the view that the Related Entity Participants and independent non-executive Directors should be included as Eligible Participants respectively on the bases of:

- (a) In relation to the Related Entity Participants, the Group is principally engaged in providing data-driven efficient and inclusive supply chain technology and digital financing solutions for companies across the Asia-Pacific. To expand business and financing channels, the Group has implemented a platformisation strategy to transition towards an asset-light model. By leveraging advanced digital technology and efficient risk control systems, the Group can deliver one-stop supply chain technology services and inclusive digital financial solutions to a broader range of partners including financial institutions, core enterprises and SME suppliers. In addition, the Group has successfully exported customized technology systems and platform-based services to local factoring companies with state-owned enterprise “SOE” backgrounds in Wuxi, Ningbo, Xiamen, Qingdao and other regions, enabling the Group to expand its footprint to their supply chain ecosystems in various places. The related entities of the Group are involved in a broad spectrum of related business activities such as factoring business, financing and investment, infrastructure and medical distribution business, information technology and data services, etc., that have made contributions and may continue to contribute to the business of the Group by providing specific knowledge on certain operational areas and guidance with respect to potential expansions into new markets based on their pre-existing expertise etc., and the Related Entity Participants also possess the necessary skill, knowledge and experience to support and assist the related entities and in turn the Group’s development. Although the Related Entity Participants may not be directly appointed or employed by members of the Group, they are also nonetheless valuable resources of the Group given their long-standing and close working relationship with the Group, as well as their connection and involvement in supply chain financing and supply chain technology or other business engagements relating to the Group’s businesses from time to time.

As such, the Company wishes to recognise the importance of the past or future contribution of the Related Entity Participants and considers the inclusion of the Related Entity Participants as Eligible Participants will provide the Company with (i) the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with such persons, and (ii) opportunities to align their interests and strengthen their loyalty with the Group, and to facilitate a higher degree of collaboration and closer business ties with the Group in the long run.

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## LETTER FROM THE BOARD

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- (b) In relation to the independent non-executive Directors, the Board is of the view that their objectivity and independence shall not be impaired by any potential grant of the Awards under the Share Scheme based on the following reasons: (i) the independent non-executive Directors will be required to continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; and (ii) approval by independent Shareholders will be required if any Award (which may be Share Option and/or Share Award) is to be granted to independent non-executive Directors or any of their respective associates which would result in the Shares issued and to be issued in respect of all options and awards granted to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares). The inclusion of independent non-executive Directors as Employee Participants would provide the Group with flexibility to offer non-cash incentives to the independent non-executive Directors for their continuous contributions to the Group's growth and development without compromising their objectivity and independence.

The Board (including the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants and independent non-executive Directors as Eligible Participants, the criteria of selection of the Eligible Participants, and the terms of the grants are fair and reasonable and align with the purpose of the Share Scheme to recognise contributions made and to be made to the growth and development of the Group and the long term interests of the Company and the Shareholders.

The Board believes the inclusion of such participants in the Share Scheme fits the purpose of the Share Scheme and is fair and reasonable and in the interests of the Company and the Shareholders because (i) equity-based remuneration continues to be an important means of (X) ensuring alignment between the interests of Shareholders, Board members (including the independent non-executive Directors) and related entities of the Group in promoting the development of the Group and (Y) incentivizing and promoting the past and future contributions of the Related Entity Participants and independent non-executive Directors as explained above; and (ii) it is common to include related entity participants and independent non-executive Directors as eligible persons of share schemes among public companies.

The proposed category of the Related Entity Participants is in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and shall help maintain or enhance the competitiveness of the Group. Through the grant of the Awards (which may be Share Option and/or Share Award), the Eligible Participants and the Group will share a common goal in the growth and development of the Group's business, and Eligible Participants will reap additional rewards through their contribution.

All grants made under the Existing Share Option Scheme and the Existing RSU Scheme were made to grantees who were employees of the Group at the time of grant, and one of such grantees was subsequently redesignated as an employee of a joint venture of the Company and a consultant of the Group, who, in the view of the Board, satisfies the eligibility criteria of Related Entity Participants as set out in "3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY" in Appendix III to this circular.

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## LETTER FROM THE BOARD

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### (5) Vesting Period

The vesting period of the Awards (which may be a Share Option or a Share Award (as the case may be)) is set out in the paragraph headed “5. VESTING PERIOD” in Appendix III to this circular. The paragraph also sets out circumstances in which the Board may grant Share Options and/or Share Awards with a vesting period shorter than the Minimum Period. The paragraph headed “19. RIGHTS ON A CORPORATE TRANSACTION” in Appendix III to this circular further sets out circumstances in which the Board may in its discretion accelerate the vesting dates of Share Options and/or Share Awards, which may result in a vesting period shorter than the Minimum Period.

There are certain limited instances as set out below where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holder(s) of the Share Options and/or Share Awards; namely

- (a) the Board may at its absolute discretion grant Awards (which may be Share Options and/or Share Awards) to Employee Participants only with a vesting period shorter than the Minimum Period in the following specific circumstances:
  - (1) grants of “make-whole” Awards to new joiners to replace the award shares they forfeited when leaving the previous employers;
  - (2) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
  - (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
  - (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
  - (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (b) if there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Company shall at its sole discretion determine whether the vesting dates of any Awards to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award (which may be a Share Option and/or Share Award) will be subject.



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## LETTER FROM THE BOARD

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The Board and the Remuneration Committee are of the view that (i) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting period or in exceptional circumstances where justified; and (ii) the Company should be allowed to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition. It should have the flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

As such, the Board and the Remuneration Committee are of the view that the circumstances when vesting period is shorter than the Minimum Period prescribed in the paragraphs headed “5. VESTING PERIOD” and “19. RIGHTS ON A CORPORATE TRANSACTION” of Appendix III to this circular are appropriate, fair and reasonable and align with the purpose of the Share Scheme.

### **(6) Maximum number of Shares subject to the Share Scheme**

The total number of Shares which may be issued in respect of all Share Options and Share Awards which may be granted under the Share Scheme is set out in the paragraph headed “7. SCHEME LIMITS AND ADDITIONAL APPROVALS” in Appendix III to this circular.

As at the Latest Practicable Date, the number of issued Shares was 989,750,000 Shares; and there were 1,219,000 outstanding Repurchased Shares pending cancellation prior to the 2024 AGM. Upon completion of the cancellation of the Repurchased Shares and assuming there being no other changes to the issued share capital of the Company, the Company will have a total of 988,531,000 Shares in issue. Assuming that all Repurchased Shares will be cancelled prior to the 2024 AGM, there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Share Options and Share Awards to be granted under the Share Scheme together with all options and awards which may be granted under any other schemes for the time being of the Company would be 98,853,100 Shares, representing approximately 10% of the issued share capital of the Company (excluding treasury shares) on the date of approval of the Share Scheme.

### **(7) Performance targets and clawback mechanism**

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Award, including conditions and/or performance target(s) that must be achieved before any of the Share Options and/or Share Awards can be exercised.

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Awards under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group. The Board also considers that it may not always be appropriate to impose performance targets particularly when the purpose of granting Awards is to motivate and incentivize employees, and it is impractical to expressly set out a generic set of performance targets in the Share Scheme, as each Grantee will play different roles and contribute in diverse ways to the Group.

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## LETTER FROM THE BOARD

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Specifically, the Board may, at its discretion, require at the time of grant any particular Grantee to achieve such performance targets as the Board may then specify in the grant before any Awards granted under the Share Scheme to such Grantee can be exercised. If performance targets are imposed on a Grantee at the grant of the relevant Award, the Board will have regard to the purpose of the Share Scheme in assessing the reasonableness and suitability of such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. operation efficiency) and financial performance (e.g. profits, cash flow, earnings, market capitalization and return on equity) of the Group, as well as corporate sustainability parameters (e.g. accuracy and timeliness in handling customer complaints and feedback and adherence to corporate culture) and personal qualities (e.g. discipline, punctuality, integrity and compliance with internal procedures and controls) of the Grantee, the satisfaction of which shall be assessed and determined by the Board at its discretion.

Generally, the Company will also utilize its internal assessment system to appraise and evaluate whether the Eligible Participants will contribute to the long-term growth of the Group on a case-by-case basis. Specifically, the Eligible Participants' expected contribution will be considered with reference to factors including but not limited to their past contributions to the Group, the nature of job duties or services, position within or related to the Group and other features including geographical location, business strategy focus and corporate culture. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before Awards will be granted, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole.

Upon the occurrence of any of the following events in relation to a Grantee, the Board may determine that the Awards granted to such Grantee shall be clawed back in the following manner set out in the paragraph headed "11. PERFORMANCE TARGET(S) AND CLAWBACK MECHANISM" of Appendix III to this circular:

- (a) a Grantee's employment has been terminated summarily;
- (b) a Grantee has been convicted of any criminal offence involving his or her integrity or honesty;
- (c) a Grantee has been involved in any wrongdoing that brings the Group into disrepute or causes damages to the Group (including but not limited to causing a material misstatement in the Company's financial statements);
- (d) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group, and other serious and adverse consequences;
- (e) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect;

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## LETTER FROM THE BOARD

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- (f) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction; or
- (g) the Grantee has breached the provisions of the articles of association of any member of the Group or the internal controls, procedures or policies of the Group in any material respect.

### **(8) Others**

As at the Latest Practicable Date, the Company has no concrete plans or intention to grant Share Options and/or Share Awards to the Eligible Participants under the Share Scheme.

The Company understands that whilst the Share Scheme is not restricted to executives and employees of the Group, the adoption of the Share Scheme would not constitute an offer to public and be subject to prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

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

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

Save for the Existing Share Schemes which will be terminated upon the adoption of the Share Scheme, the Company has no other share schemes to provide incentives to employees or other eligible participants.

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

### **(9) Application for Listing**

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

### **(10) Document on display**

A copy of the Share Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.syholdings.com](http://www.syholdings.com) for a period of not less than 14 days before the date of the 2024 AGM and will also be made available for inspection at the 2024 AGM.

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## LETTER FROM THE BOARD

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### 8. 2024 ANNUAL GENERAL MEETING

A notice convening the 2024 AGM to be held on Tuesday, 21 May 2024 at 2:00 p.m. at 18/F, Tower 2, Kerry Plaza, 1-1 Zhong Xin No. 4 Road, Futian, Shenzhen at which or any adjournment thereof is set out in Appendix IV to this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the 2024 AGM will be voted by way of a poll by the Shareholders. For the avoidance of doubt, holders of treasury shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meetings. An announcement on the poll results of the 2024 AGM will be made by the Company after the 2024 AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A proxy form for use at the 2024 AGM is enclosed with this circular. Whether the Shareholders are able to attend the 2024 AGM in person or not, they should complete, sign and return the proxy form in accordance with the instructions printed thereon to Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company 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 the holding of the 2024 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the 2024 AGM or any adjournment thereof should the Shareholders so wish.

To the best of the Directors' knowledge and belief, having made all reasonable enquiries, no Shareholder has a material interest in the resolutions set out in the notice of 2024 AGM on pages 47 to 51 of this circular and no Shareholder will be required to abstain from voting on any resolutions to be approved at the 2024 AGM.

An announcement will be made by the Company following the conclusion of the 2024 AGM to inform Shareholders of the results of the 2024 AGM.

### 9. RECOMMENDATION

At the 2024 AGM, 13 ordinary resolutions will be proposed to approve, (i) declaration of final dividend; (ii) the adoption of the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2023; (iii) the re-election of Retiring Directors; (iv) the re-appointment of Auditors; (v) the granting of the General, Repurchase and Extension Mandates; and (vi) the adoption of the Share Scheme.

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## LETTER FROM THE BOARD

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The Board believe that the 13 ordinary resolutions as set out in the 2024 AGM Notice are all in the best interests of the Company and Shareholders as a whole. The Directors believe that an exercise of the General Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. Shares repurchased under the Repurchase Mandate for cancellation may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and shares repurchased and held by the Company as treasury shares may be resold on the market to raise funds for the Company or transferred or used for other purposes subject to compliance with the applicable laws and regulations and the constitutional documents of the Company. Shares repurchased will only be made when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders. An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the 2024 AGM.

### **10. CLOSURE OF REGISTER OF MEMBERS**

To ascertain Shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company for the 2024 AGM will be closed from Thursday, 16 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the 2024 AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4: 30 p.m. on Tuesday, 14 May 2024.

To ascertain Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed on Tuesday, 28 May 2024, during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4: 30 p.m. on Monday, 27 May 2024.

### **11. RESPONSIBILITY OF DIRECTORS**

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.

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## LETTER FROM THE BOARD

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### 12. GENERAL INFORMATION

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

### 13. LANGUAGE

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

By order of the Board  
**SY Holdings Group Limited**  
**Tung Chi Fung**  
*Chairman*

As required by the Listing Rules, the particulars of the Retiring Directors proposed to be re-elected at the 2024 AGM are set out in this Appendix I.

**EXECUTIVE DIRECTOR**

**Mr. Chen Jen-Tse**, aged 52, was appointed as an Executive Director on 4 March 2017 and has been appointed as the Deputy General Manager of SY Factoring Limited since July 2014. Mr. Chen is one of the members of the Risk Management Committee of the Group.

Mr. Chen has over 20 years of experience in the factoring industry. Prior to joining the Group, Mr. Chen worked in various positions in financial institutions. From January 1998 to May 2007, he served in the Accounts Receivable Operations Department (帳款處理作業科) in Chailease Finance Co., Ltd. (中租迪和股份有限公司) (previously known as CITC Company (迪和股份有限公司)). From May 2007 to June 2008, he worked as an Assistant Vice President (Receivable Finance) of the Commercial Banking Department in the Hongkong and Shanghai Banking Corporation Limited Taipei branch. From June 2008 to June 2014, he worked as a manager of the Trade Finance Department (SBU) in China Minsheng Banking Group.

As at the Latest Practicable Date, Mr. Chen is interested in 581,000 shares and 1,700,000 share options of the Company (representing approximately 0.06% and 0.17% of the issued share capital of the Company respectively).

Mr. Chen has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. The service contract was lately renewed for an initial fixed term of three years commencing from 6 July 2023. Mr. Chen is entitled to a remuneration of HK\$1,448,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Chen and the Company with reference to his duties and responsibilities, his qualifications, the Company's performance and current market situation. In addition, Mr. Chen may be entitled to, if so recommended by the Remuneration Committee and approved by the Board at its absolute discretion, a discretionary bonus, the amount of which is determined with reference to the operating results of the Group and the performance of Mr. Chen.

**NON-EXECUTIVE DIRECTORS**

**Mr. Lo Wai Hung**, aged 64, joined the Group in January 2016 as the Chief Financial Officer of the Group where he was responsible for the Group's overall financial accounting and reporting corporate finance and company secretarial matters. He was also a member of the Risk Management Committee of the Group until March 2020. From March 2017 to November 2019, he also served as the company secretary of the Group. Mr. Lo ceased to be the Chief Financial Officer with effect from 10 December 2021 and was appointed as a non-executive director of the Group on the same date.

Mr. Lo obtained a Bachelor of Commerce Degree from the James Cook University of North Queensland in Australia in May 1985. He became an associate member of the Institute of Chartered Accountants in Australia and New Zealand in April 1991 and became a member and a fellow member of the Hong Kong Institute of Certified Public Accountants in February 1992 and November 1999, respectively. Mr. Lo has over 25 years of experience in auditing, finance and management.

As at the Latest Practicable Date, Mr. Lo also served as an independent non-executive director of (1) Talent Property Group Limited (stock code: 760) since 1 February 2011; (2) Tibet Water Resources Ltd. (stock code: 1115) since 28 September 2021; and (3) China New Town Development Company Limited (stock code: 1278) since 30 December 2021. Mr. Lo was an independent non-executive director of (1) Shandong Weigao Group Medical Polymer Company Ltd (stock code: 1066) from 10 August 2009 to 6 June 2022 and (2) C Cheng Holdings Limited (stock code: 1486) from 5 December 2013 to 3 April 2023. All the aforementioned companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

As at the Latest Practicable Date, Mr. Lo is interested in 360,000 shares of the Company (representing approximately 0.04% of the issued share capital of the Company).

Mr. Lo has entered into a letter of appointment with the Company for an initial term of three years commencing from 10 December 2021 renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. Mr. Lo is entitled to a remuneration of HK\$360,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Lo and the Company with reference to his duties and responsibilities within the Company.

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Fong Heng Boo**, aged 74, was appointed as an Independent Non-executive Director in September 2018. He is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. He obtained a Bachelor of Accountancy (Honours) from the University of Singapore in August 1973. Mr. Fong has over 45 years of experience in auditing, finance, risk management, business development and corporate governance. He was with the Auditor-General's Office (AGO), Singapore between 1975 and 1993. He held the position of Assistant Auditor-General when he left the AGO. Prior to his retirement in 2014, Mr. Fong was the Director (Special Duties) at the Singapore Totalisator Board as the Head of Finance and Investment functions. Mr. Fong has been admitted as a fellow chartered accountant of Singapore of the Institute of Singapore Chartered Accountants since August 2004.

As at the Latest Practicable Date, Mr. Fong is also serving as (1) an independent director of TA Corporation Ltd, a company listed on the Singapore Exchange (stock code: PA3), since December 2017; (2) an independent director of Livingstone Health Holdings Limited, a company listed on the Singapore Exchange (stock code: 5FH), since July 2018; (3) an independent director of Bonvest Holdings Limited, a company listed on the Singapore Exchange (stock code: B28), since July 2021; (4) an independent director of Keong Hong Holdings Limited, a company listed on the Singapore Exchange (stock code: 5TT), since January 2022; (5) an independent director of Kwan Yong Holdings Limited, a company listed on the Stock Exchange (stock code: 9998), since April 2020; and (6) an independent director of UOA Development BHD, a company listed on Bursa Malaysia (stock code: 5200), since October 2021.

As at the Latest Practicable Date, Mr. Fong is interested in 300,000 share options of the Company (representing approximately 0.03% of the issued share capital of the Company).



Mr. Fong has entered into a letter of appointment with the Company for an initial term of three years commencing from 14 September 2018 renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. The appointment letter was lately renewed for an initial fixed term of three years commencing from 14 September 2021. Mr. Fong is entitled to a remuneration of HK\$300,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Fong and the Company with reference to his duties and responsibilities within the Company.

**GENERAL**

Save as disclosed above, none of the above Directors:

- (i) held any other positions in any members of the Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of the Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date; and
- (iv) had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information in relation to the above Directors that needs to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 13.51(2)(w) of the Listing Rules.

*This appendix serves as an explanatory statement, as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.*

### **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **2. ISSUED SHARES**

As at the Latest Practicable Date, the total number of Shares in issue were 989,750,000; and there were 1,219,000 outstanding Repurchased Shares pending cancellation prior to the 2024 AGM. Upon completion of the cancellation of the Repurchased Shares and assuming there being no other changes to the issued share capital of the Company, the Company will have a total of 988,531,000 Shares in issue. Subject to the passing of the relevant ordinary resolution in the 2024 AGM Notice and on the basis that all Repurchased Shares will be cancelled prior to the 2024 AGM, no further Shares are issued or repurchased and the Company did not have any treasury shares prior to the 2024 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 98,853,100 Shares, representing 10% of the total number of Shares in issue (excluding treasury shares) at the date of the passing of the ordinary resolution in the 2024 AGM Notice.

### **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the Shares in the market.

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. When exercising the Repurchase Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchases, resolve to cancel the Shares repurchased following settlement of any such repurchase or hold them as treasury shares. Shares repurchased for cancellation may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company. On the other hand, Shares repurchased and held by the Company as treasury shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the Memorandum and Articles of Association, and the laws of the Cayman Islands. Share repurchases will only be made when the Directors believe that such a repurchase will benefit the Company and Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **4. FUNDING OF REPURCHASE**

The Company is empowered by the Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the laws of the Cayman Islands, the Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Repurchases of Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands, being profits of the Company or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase, or, if authorised by the Articles of Association and subject to the laws of the Cayman Islands, out of capital of the Company, and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company before or at the time the Shares are repurchased, or if authorised by the Articles of Association and subject to the laws of the Cayman Islands, out of capital of the Company.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

## 5. IMPACT OF REPURCHASES

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position of the Company as disclosed in the audited financial statements for the year ended 31 December 2023 contained in the 2023 Annual Report.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange since the previous twelve months up to the Latest Practicable Date were as follows:

| Month   | Highest<br>(HK\$) | Lowest<br>(HK\$) |
|---|-------------------|------------------|
| <b>2023</b>   |                   |                  |
| May   | 6.40              | 5.15             |
| June  | 5.80              | 5.05             |
| July  | 5.34              | 5.01             |
| August  | 5.39              | 4.83             |
| September   | 5.35              | 4.63             |
| October   | 5.30              | 4.86             |
| November  | 5.29              | 4.93             |
| December  | 5.19              | 4.68             |
| <b>2024</b>   |                   |                  |
| January   | 4.88              | 4.01             |
| February  | 4.75              | 4.21             |
| March   | 4.46              | 4.02             |
| April (up to and including the Latest Practicable Date) | 4.53              | 4.09             |

## 7. CONFIRMATIONS

So far as the same may be applicable, the Directors will exercise the power of the Company to make repurchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

The Directors confirmed that neither this explanatory statement nor the Repurchase Mandate has any unusual features.

## 8. DISCLOSURE OF INTERESTS

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

No other core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 9. TAKEOVERS CODE

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

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate" while the respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the 2024 AGM (and assuming that the issued share capital remains unchanged, all Repurchased Shares will be cancelled prior to the 2024 AGM and the Company does not have any treasury shares prior to the date of the 2024 AGM) is shown under the column "Approximate % of the issued share capital should the Repurchase Mandate be exercised in full":

| Name                                       | Capacity/<br>nature of interest                                 | Number and<br>class of securities<br>(Note 1) | Approximate %<br>of the issued<br>share capital<br>before a possible<br>exercise of<br>the Repurchase<br>Mandate | Approximate %<br>of the issued<br>share capital<br>should the<br>Repurchase<br>Mandate be<br>issued in full |
|--|---|---|--|---|
| Mr. Tung Chi Fung ("Mr. Tung")<br>(Note 1) | Beneficiary of a trust<br>and settlor of<br>discretionary trust | 560,601,960 (Note 3)                          | 56.64%   | 63.01%  |

| Name  | Capacity/<br>nature of interest         | Number and<br>class of securities<br>(Note 1) | Approximate %<br>of the issued<br>share capital<br>before a possible<br>exercise of<br>the Repurchase<br>Mandate | Approximate %<br>of the issued<br>share capital<br>should the<br>Repurchase<br>Mandate be<br>issued in full |
|---|---|---|--|---|
| TMF (Cayman) Ltd (“ <b>TMF Trust</b> ”)<br>(Note 1)   | Trustee                                 | 560,601,960 (L) (Note 3)                      | 56.64%   | 63.01%  |
| Eander Limited (“ <b>Eander</b> ”) (Note 1)   | Interest in a controlled<br>corporation | 560,601,960 (L) (Note 3)                      | 56.64%   | 63.01%  |
| Wisdom Cosmos Limited<br>(“ <b>Wisdom Cosmos</b> ”) (Note 1)                                  | Beneficial owner                        | 560,601,960 (L) (Note 3)                      | 56.64%   | 63.01%  |
| Wuxi Communications Industry<br>Group Co Ltd* (無錫市交通產業<br>集團有限公司) (“ <b>WXCIG</b> ”) (Note 2) | Interest in a controlled<br>corporation | 61,363,500 (L) (Note 3)                       | 6.20%  | 6.90%   |
| Xitong International Holdings (HK)<br>Limited (“ <b>Xitong</b> ”) (Note 2)                    | Beneficial owner                        | 61,363,500 (L) (Note 3)                       | 6.20%  | 6.90%   |

## Notes:

1. Wisdom Cosmos, a company incorporated in the British Virgin Islands (“**BVI**”), is the beneficial owner of 560,601,960 shares of the Company, representing 56.64% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander, a company incorporated in the BVI, which is in turn wholly owned by TMF Trust, trustee of the Pak Jeff Trust (“**PJ Trust**”), an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.
2. Xitong, a company incorporated in Hong Kong, is the beneficial owner of 61,363,500 shares of the Company, representing approximately 6.20% shareholding interests in the Company. The entire issued share capital of Xitong is owned by WXCIG, a company incorporated in the PRC, which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People’s Government. Under the SFO, WXCIG and Xitong are deemed to be interested in all the shares of the Company registered in the name of Xitong.
3. The letter “L” denotes long position of the shares.

In the event that the Directors exercise the Repurchase Mandate in full, the interest of the abovenamed persons would be increased as shown in the table above.

On the basis of the shareholding named above, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

**10. SHARE REPURCHASES MADE BY THE COMPANY**

In the six months immediately preceding the Latest Practicable Date, the Company has purchased a total of 993,500 Shares on the Stock Exchange, details of which are as follows:

| <b>Date of purchases</b> | <b>Number of Shares purchased</b> | <b>Price per Share</b>                   |   |
|--------------------------|-----------------------------------|--|---|
|                          |                                   | <b>Highest price paid</b><br><i>HK\$</i> | <b>Lowest price paid</b><br><i>HK\$</i> |
| 1 17/1/2024              | 92,500                            | 4.23                                     | 4.14                                    |
| 2 18/1/2024              | 63,500                            | 4.25                                     | 4.13                                    |
| 3 19/1/2024              | 273,000                           | 4.42                                     | 4.23                                    |
| 4 19/2/2024              | 64,500                            | 4.47                                     | 4.4                                     |
| 5 5/4/2024               | 184,500                           | 4.27                                     | 4.15                                    |
| 6 12/4/2024              | 114,500                           | 4.30                                     | 4.20                                    |
| 7 16/4/2024              | 65,000                            | 4.22                                     | 4.16                                    |
| 8 19/4/2024              | 81,000                            | 4.21                                     | 4.10                                    |
| 9 22/4/2024              | 55,000                            | 4.26                                     | 4.21                                    |

Save as disclosed above, the Company has not purchased, sold or redeemed any of its Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

*The following is a summary of the principal terms of the Share Scheme to be approved and adopted by ordinary resolution at the 2024 AGM, but such summary does not form part of, nor was it intended to be, part of the Share Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Scheme:*

## **1. PURPOSE**

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

## **2. ADMINISTRATION OF THE SHARE SCHEME**

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

Subject to compliance with the Listing Rules, the authority to administer the Share Scheme may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the sole discretion of the Board.

The Company may issue new Shares or, to the extent permitted under the Listing Rules, applicable laws and regulations and the constitutional documents of the Company, use treasury shares to satisfy grants made under the Share Scheme. The Company may establish one or more trusts (“**Trust(s)**”) which will be independent of the Company and appoint one or more trustee(s) to hold Shares for the purposes of: (i) holding Award Shares, being new Shares allotted and issued by the Company or treasury shares transferred by the Company, which are reserved for specified Eligible Participants; (ii) settling Awards (which may be Share Options and/or Share Awards); and (iii) taking other actions for the purposes of administering and implementing the Share Scheme. The trustee of the Trust shall be instructed by the Company.

The trustee of the Trust holding unvested Award Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

### 3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY

The Eligible Participants are the Employee Participants and the Related Entity Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (1) the performance of the Employee Participant; (2) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (3) time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

In determining the basis of eligibility for Related Entity Participants, the Board would take into account, among others:

- (a) the actual degree of involvement of the Related Entity Participant in and/or cooperation with the Group and length of collaborative relationship such Related Entity Participant has established with the Group (e.g. the number of years of collaboration with the Group);
- (b) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits of the Group and/or an addition of expertise to the Group;
- (c) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
- (d) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share;
- (e) the amount of support, assistance, guidance, advice, efforts and contributions which the Related Entity Participant has exerted and given towards the success of the Group or the Related Entity Participant which is likely to be able to give or make towards the success of the Group in the future; and
- (f) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.



#### 4. OFFER AND ACCEPTANCE

Subject to and in accordance with the provisions of the Share Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make an Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, provided that no such Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the terms of the Award (which may be Share Option and/or Share Award) which may include number of Award Shares, the Issue Price or Exercise Price (as applicable), the vesting criteria and conditions, the Exercise Period, and if any, minimum performance targets that must be achieved and the clawback mechanism for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants, and any such other details as the Company may consider necessary, and requiring the Grantee to undertake to hold the Award (which may be Share Option and/or Share Award) on the terms of the offer letter and be bound by the provisions of the Share Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-one (21) days from the date of the offer. For the avoidance of doubt, the Board may at its discretion specify any condition in the offer letter at the grant of the relevant Award (which may be Share Option and/or Share Award), including conditions and/or performance target(s) that must be achieved before any of such Award can be exercised, as well the clawback mechanism for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) as may be determined by the Board as consideration for the grant thereof, is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. The relevant Award Shares offered but not accepted shall lapse.

## 5. VESTING PERIOD

Save for the circumstances prescribed below and in paragraph 19(a), an Award (which may be Share Option and/or Share Award) must be held by the Grantee for a period that is not shorter than the Minimum Period before the Award can be exercised.

The Board may at its absolute discretion grant Awards (which may be Share Options and/or Share Awards) to Employee Participants only with a vesting period shorter than the Minimum Period in the following specific circumstances:

- (1) grants of “make-whole” Awards to new joiners to replace the award shares they forfeited when leaving the previous employers;
- (2) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or
- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria,

each of which are considered appropriate to provide flexibility to grant Awards (a) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (1) and (4)); (b) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (2) and (3)); (c) reward exceptional performers with accelerated vesting (sub-paragraph (4)); (d) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (5)); and (e) in exceptional circumstances where justified (sub-paragraphs (1) to (5)), which is consistent with the purpose of the Share Scheme.

## 6. EXERCISE PRICE AND ISSUE PRICE AND EXERCISE OF SHARE OPTIONS AND VESTING OF SHARE AWARDS

- (a) The Exercise Price shall, subject to any adjustment made pursuant to the terms of the Share Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of:
  - (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;
  - (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and
  - (3) the nominal value of the Share on the offer date.

- (b) The Issue Price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the offer letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.
- (c) In respect of any proposed grant of Award under the circumstances as set out in paragraph 8 or 9 below, for purposes of the paragraph (a)(1) and paragraph (a)(2) above, the date of the meeting of the Board (or its authorised committee for the administration of the Share Scheme) or the Remuneration Committee (as the case may be) at which the Offer was proposed shall be taken to be the offer date for the relevant Award, and the provisions as set above shall apply mutatis mutandis.
- (d) Subject to the terms of the Share Scheme and the fulfilment of all terms and conditions as set out in the Offer, including the attainment of any performance targets stated therein (if any), an Award shall be exercisable (i.e. Share Option shall be exercisable and the Share Award may be vested (as the case may be)) in whole or in part by the Grantee (or, in the case of death of the Grantee, by the Grantee's personal representative) giving notice in writing to the Company stating that the Award is thereby exercised (i.e. the Share Option is exercised or the Share Award shall be vested (as the case may be)) and the number of Award Shares in respect of which it is so exercised/vested.
- (i) Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price or the Issue Price (as applicable) for the Award Shares in respect of which the notice is given.
- (ii) Within twenty-one (21) days (or such longer period if the Company in its sole discretion considers it appropriate due to applicable legal or regulatory restrictions) after receipt of the notice and the remittance, the Company shall, at its discretion, arrange for the Exercised Award Shares to be satisfied in the following methods:
- (aa) allot and issue the relevant number of Shares to the Grantee (or, the Grantee's estate in the event of an exercise by the Grantee's personal representative) credited as fully paid and instruct the share registrar to issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) a share certificate for the Shares so allotted and issued;
- (bb) arrange for the Exercised Award Shares to be transferred to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) credited as fully paid and issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) a share certificate in respect of the Shares so transferred;
- (cc) pay to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) by remittance to the bank account designated and provided by the Grantee (or the Grantee's personal representative), the Actual Selling Price from on-market sale of the Exercised Award Shares through the facilities of the Stock Exchange at prevailing market prices; and/or

- (dd) arrange for Exercised Award Shares to be issued or designated as vested shares held for the economic benefit of the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative), following which, the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) shall be entitled to future dividends paid or payable on the Exercised Award Shares and the Grantee (or the Grantee's personal representative) will have a one-time option to request the Company to (1) cause payment to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative) by remittance to the bank account designated and provided by the Grantee, the difference in the prevailing market prices of the Exercised Award Shares between the vesting date and the date that the Grantee notifies the Company of exercising the one-time option, or (2) subject to compliance with the requirements of Listing Rules and other applicable laws and regulations, cause the Exercised Award Shares to be transferred to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's Personal Representative) (after payment of all stamp duty and expenses for such transfer which shall be borne by the Grantee).

## 7. SCHEME LIMITS AND ADDITIONAL APPROVALS

### The Scheme Mandate Limit

- (1) The total number of Shares which may be issued in respect of all Awards (which may be Share Options and/or Share Awards) which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed such number of Shares as equals 10% of the Shares in issue (excluding treasury shares) as at the Adoption Date (the "**Scheme Mandate Limit**"). Awards (including Share Options and Share Awards) lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (2) If the Company conducts a share consolidation or sub-division after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole share.

**Refreshment**

- (3) (a) The Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit under the Share Scheme on or after the third (3rd) anniversary of the date of the Shareholders' approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all (i) the Awards (including Share Options and Share Awards) under the Share Scheme and (ii) the options and awards to be granted under any other schemes of the Company as "refreshed" must not exceed 10% of the Shares in issue (excluding treasury shares) as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders under this paragraph (3), the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and
- (b) any refreshment within any three (3)-year period shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1)(b) and (c) of the Listing Rules.

**Grant in excess of the Scheme Mandate Limit**

- (4) The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting Awards (which may be Share Options and/or Share Awards) exceeding the Scheme Mandate Limit provided that the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph (4), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Awards, the number and terms of the Awards to be granted, the purpose of granting Awards to the specified Eligible Participants with an explanation as to how the terms of the Awards serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price or the Issue Price) of the Awards (which may be Share Options and/or Share Awards) to be granted to such Eligible Participant must be fixed before the Shareholders' approval. For the grant of Share Options, the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

**8. GRANT OF AWARDS (WHICH MAY BE SHARE OPTIONS AND/OR SHARE AWARDS) TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR RESPECTIVE ASSOCIATES**

- (1) Any grant of an Award (which may be Share Option and/or Share Award) to a Director, a chief executive of the Company or substantial shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of the Award).
- (2) (a) Where any grant of an Award (which may be Share Option and/or Share Award) to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue (excluding treasury shares), or

- (b) where any grant of Share Awards (i.e., excluding grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the relevant schemes) 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 (excluding treasury shares) at the date of such grant,

such grant of Award (which may be Share Option and/or Share Award) must be approved by the Shareholders in a general meeting of the Company.

- (3) The Company must send a circular to the Shareholders. The circular must contain such information required by the Listing Rules.
- (4) The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour of the proposed grant at the general meeting of the Company pursuant to the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders.
- (5) Any vote taken at the general meeting of the Company to approve the grant of such Award (which may be Share Option and/or Share Award) must be taken on a poll and comply with the requirements under the Listing Rules.
- (6) Any change in the terms of Awards (which may be Share Options and/or Share Awards) granted to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Shareholders in the manner as set out in the Listing Rules if the initial grant of the Awards requires such approval (except where the changes take effect automatically under the existing terms of the Share Scheme).
- (7) Applications shall be made by the Company to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in any Shares that may fall to be allotted and issued under the Share Scheme.

## **9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any grant of an Award (which may be Share Option and/or Share Award) to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue (excluding treasury shares), such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards (which may be Share Options and/or Share Awards) to be granted (and Awards previously granted to such Eligible Participant during the twelve (12)-month period), the purpose of granting the Awards (which may be Share Options and/or Share Awards) to the Eligible Participant, an explanation as to how the terms of such Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price or Issue Price) of such Award to be granted to such Eligible Participant must be fixed before the Shareholders' approval. For the grant of Share Options, the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the Exercise Price.

#### **10. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the Share Scheme, an Award may be exercised in whole or in part at any time during the period stipulated in the Offer, provided that such period shall not go beyond the day immediately prior to the tenth (10th) anniversary of the offer date with respect of the relevant Award.

#### **11. PERFORMANCE TARGET(S) AND CLAWBACK MECHANISM**

The Board may at its discretion determine and provide in the offer letter at the grant of the relevant Award any performance target(s) as the Board may then specify which must be achieved by the Grantee before any of the Awards (which may be Share Options and/or Share Awards) can be exercised, as well as the clawback mechanism for the Company to recover or withhold any Share Options or Share Awards granted to any Eligible Participants.

Specifically, if performance targets are imposed on a Grantee at the grant of the relevant Award (which may be Share Options and/or Share Awards), the Board will have regard to the purpose of the Share Scheme in assessing the reasonableness and suitability of such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. operation efficiency) and financial performance (e.g. profits, cash flow, earnings, market capitalization and return on equity) of the Group, as well as corporate sustainability parameters (e.g. accuracy and timeliness in handling customer complaints and feedback and adherence to corporate culture) and personal qualities (e.g. discipline, punctuality, integrity and compliance with internal procedures and controls) of the Grantee, the satisfaction of which shall be assessed and determined by the Board at its discretion.

Generally, the Company will also utilize its internal assessment system to appraise and evaluate whether the Eligible Participants will contribute to the long-term growth of the Group on a case-by-case basis. Specifically, the Eligible Participants' expected contribution will be considered with reference to factors including but not limited to their past contributions to the Group, the nature of job duties or services, position within or related to the Group and other features including geographical location, business strategy focus and corporate culture. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Eligible Participants before Awards will be granted, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole.

Upon the occurrence of any of the Relevant Events in relation to a Grantee, the Board may determine that the Awards (which may be Share Options and/or Share Awards) granted to such Grantee shall be clawed back in the following manner:

- (a) (i) where a Share Option granted to such Grantee is not vested, or is vested but not yet been exercised, or where a Share Award granted to such Grantee is unvested at the time when such Grantee's Share Options or Share Awards are clawed back, or (ii) in any event, where an Award is exercised but the Exercised Award Shares have not yet been satisfied by the Company at the time when such Grantee's Award is clawed back, the Awards granted to such Grantee shall lapse accordingly on the date as determined by the Board; and
- (b) subject to paragraph (a)(ii) above, where a Share Option granted to such Grantee has been vested and already exercised, or where a Share Award granted to such Grantee has already been vested, at the time when such Grantee's Share Options or Share Awards are clawed back, the Grantee shall return to the Company (or its nominee), as determined by the Board at its sole and absolute discretion, the monetary amount equivalent to the value of the relevant underlying Shares of the Share Options or Share Awards (I) on the grant date, (II) on the date of vesting of the relevant Share Options or Share Awards, or (III) on the date of such clawback, less any Exercise Price or Issue Price paid by the Grantee to the Company in respect of the relevant underlying Share(s).

**"Relevant Events"** means any of the following:

- (a) a Grantee's employment has been terminated summarily;
- (b) a Grantee has been convicted of any criminal offence involving his or her integrity or honesty;
- (c) a Grantee has been involved in any wrongdoing that brings the Group into disrepute or causes damages to the Group (including but not limited to causing a material misstatement in the Company's financial statements);
- (d) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group, and other serious and adverse consequences;
- (e) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect;
- (f) the Grantee has contravened the relevant laws and regulations of any applicable jurisdiction; or
- (g) the Grantee has breached the provisions of the articles of association of any member of the Group or the internal controls, procedures or policies of the Group in any material respect.



**12. RESTRICTIONS ON THE TIME OF OFFER**

No Offer may be made:

- (1) after inside information (having the meaning defined in the SFO) has come to the knowledge of the Company until (and including) the Business Day after it has been announced pursuant to the requirements of the Listing Rules; and
- (2) during the period commencing from thirty (30) days immediately preceding the earlier of:
  - (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (b) the deadline for the Company to publish 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 announcements (or during any period of delay in publishing results announcements); and

- (3) at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules).

**13. RIGHTS ARE PERSONAL TO GRANTEEES**

Subject to the rules in the Share Scheme, an Award (which may be Share Option and/or Share Award) shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to at its own discretion determine any Award (which may be Share Options and/or Share Awards) or any part thereof granted to such Grantee to the extent not already exercised to be lapsed.

The Stock Exchange may consider granting a waiver to allow a transfer of an Award (which may be Share Option and/or Share Award) to a vehicle (such as trust or private company) for the benefit of the Grantee and any family members of such Grantee that would continue to meet purpose of the Share Scheme and comply with the requirements of the Listing Rules.

**14. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

In the event that the Grantee ceases to be an Eligible Participant by reason of termination of his employment with any member of the Group on any one or more of the following grounds:

- (1) that the Grantee has been guilty of serious misconduct;
- (2) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group (if so determined by the Board);
- (3) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally; or
- (4) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with any member of the Group,

before exercising the Award (which may be Share Option and/or Share Award) in full, the Grantee's Award (which may be Share Option and/or Share Award) (to the extent not already exercised) shall automatically lapse and shall not be exercisable on the date of cessation, or such longer period as the Board may determine.

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of retirement as an employee in accordance with the Grantee's contract of employment, or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship set out in the paragraph above arises, before exercising the Award (which may be Share Option and/or Share Award) in full, the Grantee may exercise the Award (which may be Share Option and/or Share Award) (to the extent vested but not already exercised) in whole or in part within (a) three (3) months in the case of voluntary termination by the Grantee, or (b) six (6) months in the case of termination by reason of retirement, following the date of such cessation, or such longer period as the Board may determine and such Award to the extent not so exercised shall lapse at the end of the abovementioned period.

**15. RIGHTS ON DEATH**

In the event that the Grantee ceases to be an Eligible Participant by reason of the person's death before exercising the Award (which may be Share Option and/or Share Award) in full (and if the Grantee is an Employee Participant, provided that none of the events which would be a ground for termination of the person's employment or directorship under paragraph 14 above arises):

- (a) in the case of Share Options, the Grantee's personal representative may exercise the Share Options (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 6 within one hundred and eighty (180) days following the date of death, or such longer period as the Board may determine, and any Share Options not exercised shall lapse at the end of the abovementioned period;

- (b) in the case of Share Awards, any outstanding Share Awards not yet vested shall immediately lapse, and the Company shall deliver (i) such number of vested but not yet delivered Award Shares or (ii) such amount which is equal to the Actual Selling Price less any Issue Price (as applicable) (hereinafter referred to as “**Benefits**”) of such Share Awards at its discretion to the Grantee’s estate within two (2) years following the date of death, or such other period as the Board may determine, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall lapse.

#### **16. RIGHTS ON INJURY, DISABILITY OR ILL-HEALTH**

In the event that the Grantee, by reason of the Grantee’s employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability or ill-health before exercising the Award in full, the Grantee may exercise the Award (to the extent vested but not already exercised) in whole or in part in accordance with the terms of the Share Scheme within six (6) months following the date of such cessation, or such longer period as the Board may determine and to the extent such Award not so exercised shall lapse at the end of the abovementioned period.

#### **17. RELATED ENTITY PARTICIPANT**

In the event that the Grantee who is a Related Entity Participant ceases to be an Eligible Participant by reason of any one or more of the following grounds:

- (1) in the case of the Grantee who is a Related Entity Participant, that he/she ceases to be a director or employee of the Related Entity as a result of resignation, termination, dismissal or retirement;
- (2) that there has been a breach of contract entered into between the Grantee and any member of the Group;
- (3) that the Grantee’s engagement or appointment has been terminated in the sole and absolute opinion of the Board;
- (4) that the Board, in its sole and absolute opinion, believes that the Grantee is no longer contributing to the development or success of the Group, or has become a competitor of any member of the Group;
- (5) that the Grantee has become bankrupt or insolvent or made any arrangement or composition with his creditors generally;
- (6) that the Grantee has committed any serious misconduct, or
- (7) that the Grantee has been convicted of any criminal offence (other than an offence which, in the sole and absolute opinion of the Board, does not bring the Grantee or any member the Group into disrepute),

the Award (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of the Board’s determination.

**18. RIGHTS ON CESSATION FOR OTHER REASONS**

In the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in paragraph 14 to paragraph 17 above, the Grantee's Award (which may be Share Option and/or Share Award) (to the extent vested but not already exercised) shall lapse and shall not be exercisable on the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such Award or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such Award will be subject to.

**19. RIGHTS ON A CORPORATE TRANSACTION**

- (a) If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Company shall at its sole discretion determine whether the vesting dates of any Awards (which may be Share Options and/or Share Awards) to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award will be subject.
- (b) For the purpose of paragraph 19(a), "control" shall have the meaning as specified in the Takeovers Code from time to time.

**20. CANCELLATION OF AWARDS (WHICH MAY BE SHARE OPTIONS AND/OR SHARE AWARDS)**

Subject to the terms of the Share Scheme, the Board may cancel any Award (which may be Share Option and/or Share Award) granted but unexercised (and whether or not vested) on such terms and conditions and with the consent of the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels any outstanding Awards (which may be Share Options and/or Share Awards) (whether or not vested) and makes a new grant to the same Grantee, such new grant may only be made under the Share Scheme with the available limit approved by the Shareholders as set out in paragraph 7 above. The Awards cancelled (whether or not vested) will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

**21. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Award (which may be Share Option and/or Share Award) remains exercisable or whilst the Share Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction), then, in respect of any such adjustments (other than any made on a capitalisation issue) the Company shall instruct the auditors or independent financial adviser to certify in writing to the Board the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (1) the number or nominal amount of Shares to which the Share Scheme or any Awards (which may be Share Options and/or Share Awards) relates (insofar as it is/they are unexercised); and/or

- (2) the Exercise Price or Issue Price of any unexercised Award (which may be Share Option and/or Share Award),

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

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

Subject to the above principles and certification procedures, and any further or updated guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, the default method of adjustment is set out below:

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

New number of Awards = Existing Awards × F

New Exercise Price = Existing exercise Price ×  $\frac{1}{F}$

Where

F = CUM/TEEP

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

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

M = Entitlement per existing

Share R = Subscription price

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

New number of Awards = Existing Awards  $\times$  F

$$\text{New exercise price} = \text{Existing exercise price} \times \frac{1}{\text{F}}$$

Where F = Subdivision or consolidation or reduction factor

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

## **22. RANKING OF SHARES**

Awards (including Share Options and Share Awards) do not carry any right to vote at any general meeting of the Company, nor any right to dividends, transfer or other rights, including those arising on the liquidation of the Company. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award (which may be Share Option and/or Share Award) unless and until the Shares underlying an Award are issued and delivered to the Grantee pursuant to the vesting and exercise of such Award.

Shares allotted and issued upon the vesting or exercise of an Award (which may be Share Option and/or Share Award) will be subject to all the provisions of the Articles and will rank pari passu in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares (the "**Allotment Date**") other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. Shares being allotted and issued or treasury shares of the Company being transferred upon the vesting or exercise of an Award (which may be Share Option and/or Share Award, as applicable) shall not carry any right of a Shareholder (including voting rights) until registration of the Grantee as the holder thereof on the register of members of the Company.

**23. DURATION OF THE SHARE SCHEME**

The Share Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, until the Termination Date, after which period no further Awards (including Share Options and Share Awards) will be granted but the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards (including Share Options and Share Awards) granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the Share Scheme.

**24. ALTERATIONS TO THE TERMS OF THE SHARE SCHEME**

The Share Scheme may be altered in any respect by a resolution of the Board provided that:

- (1) any alteration to the terms and conditions of the Share Scheme which is of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in a general meeting of the Company;
- (2) any change to the terms of Awards (which may be Share Options and/or Share Awards) granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the existing terms of the Share Scheme);
- (3) any change to the authority of the Directors or the administrator of the Share Scheme to alter the terms of the Share Scheme must be approved by the Shareholders of the Company in a general meeting of the Company;
- (4) the amended terms of the Share Scheme or the Awards (including Share Options and Share Awards) shall remain in compliance with Chapter 17 of the Listing Rules; and
- (5) no such alteration shall operate to affect adversely the terms of issue of any Award (which may be Share Option and/or Share Award) granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the articles being for a variation of the rights attached to Shares.

**25. CONDITION OF THE SHARE SCHEME**

The Share Scheme is conditional upon the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme.

**26. LAPSE OF AWARDS**

A Share Option or Share Award shall lapse automatically (to the extent vested but not already exercised) on the earliest of:

- (a) subject to paragraph 14 to paragraph 19, expiry of the Exercise Period;
- (b) the date on which the Grantee commits a breach of paragraph 13;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph 14 to paragraph 19; and
- (d) the date of the commencement of the winding-up of the Company.

**27. TERMINATION**

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of the Share Scheme. In such event, no further Awards (including Share Options and Share Awards) will be offered but in all other respects, the provisions of the Share Scheme shall remain in force to the extent necessary to give effect to the exercise of any Awards (including Share Options and Share Awards) granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Scheme and the Awards (including Share Options and Share Awards) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Scheme.

**28. MISCELLANEOUS**

The Company will bear the costs of establishing and administering the Share Scheme.

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





**SY HOLDINGS GROUP LIMITED**

**盛業控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6069)**

**NOTICE OF 2024 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2024 annual general meeting (the “**2024 AGM**”) of shareholders (the “**Shareholders**”) of SY Holdings Group Limited (the “**Company**”) will be held at 18/F, Tower 2, Kerry Plaza, 1-1 Zhong Xin No. 4 Road, Futian, Shenzhen on Tuesday, 21 May 2024 at 2:00 p.m. for the following purposes:

**ORDINARY RESOLUTIONS**

1. To approve and declare a final dividend of HK\$0.269 per ordinary share in the issued share capital of the Company for the year ended 31 December 2023 payable to the shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 28 May 2024.
2. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (“**Directors**”) and the Company’s auditors (“**Auditors**”) for the year ended 31 December 2023.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) to re-elect Mr. Chen Jen-Tse as an Executive Director;
  - (b) to re-elect Mr. Lo Wai Hung as a Non-executive Director;
  - (c) to re-elect Mr. Fong Heng Boo as an Independent Non-executive Director;
  - (d) to authorize the board of Directors (“**the Board**”) to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as the Auditors and to authorise the Board to fix the Auditors’ remuneration.

5. “**THAT**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) and/or to resell treasury shares of the Company (if permitted under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of Shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued together with the treasury shares of the Company resold by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (“**Articles of Association**”), shall not exceed 20% of the total number of Shares in issue (excluding treasury shares) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; and
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.

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## APPENDIX IV NOTICE OF 2024 ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; and
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.”

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## APPENDIX IV NOTICE OF 2024 ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and/or to resell treasury shares of the Company (if permitted under the Listing Rules) and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 5 above be and is hereby extended by the addition thereto of an amount representing the number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such amount shall not exceed 10% of the total number of Shares in issue (excluding treasury shares) as at the date of passing the resolution.”
8. “**THAT:**
- (a) the rules of the new share scheme of the Company (the “**Share Scheme**”) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) be and are hereby approved and adopted, and the Directors be and are hereby authorised, (i) to grant share options and share awards in accordance with the rules of the Share Scheme; (ii) to allot, issue, and deal with from time to time such number of award shares as may be required to be issued pursuant to the exercise of the awards under the Share Scheme; (iii) to administer the Share Scheme; (iv) to modify and/or amend the Share Scheme from time to time provided that such modification or amendment is effected in accordance with the terms of the Share Scheme and subject to the Listing Rules; and (v) to do such acts and things and enter into such transactions, arrangements and agreements as the Directors may in their sole discretion consider necessary, desirable or expedient in order to give full effect to and implement the Share Scheme;
  - (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the Share Scheme and any other share schemes of the Company as may from time to time be adopted by the Company shall not exceed such number of Shares as equals 10 per cent. of the Shares in issue (excluding treasury shares) as at the date of passing of this resolution; and
  - (c) conditional upon the Share Scheme becoming effective, the existing share option scheme of the Company conditionally adopted by the shareholders of the Company on 19 June 2016 and became effective on 6 July 2017 (the “**Existing Share Option Scheme**”) be and is hereby terminated with effect from the adoption of the Share Scheme (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

By order of the Board  
**SY Holdings Group Limited**  
**Tung Chi Fung**  
*Chairman*

Hong Kong, 29 April 2024

## APPENDIX IV NOTICE OF 2024 ANNUAL GENERAL MEETING

*Notes:*

- (a) At the 2024 AGM, the Chairman of the 2024 AGM will put each of the above resolutions to be voted by way of a poll under article 79 of the Articles of Association.
- (b) Any shareholder entitled to attend and vote at the 2024 AGM is entitled to appoint more than one proxy to attend and on a poll, vote in his/her/its stead in accordance with the Articles of Association. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the 2024 AGM. A proxy need not be a shareholder of the Company.
- (c) To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 48 hours before the time appointed for holding the 2024 AGM or any adjournment thereof (as the case may be).
- (d) Completion and return of the proxy form will not preclude a shareholder from attending and voting at the 2024 AGM or any adjournment thereof (as the case may be) should the shareholder so desire.
- (e) The Register of Members of the Company will be closed from Thursday, 16 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of shares will be effected, to determine shareholders' entitlement to attend and vote at the 2024 AGM. In order to be entitled to attend and vote at the 2024 AGM, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4: 30 p.m. on Tuesday, 14 May 2024.
- (f) The Register of Members of the Company will be closed on Tuesday, 28 May 2024 during which period no transfer of shares will be effected, to determine shareholders' entitlement to the proposed final dividend with respect to resolution no.1 of this notice. In order to be entitled to the proposed final dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F., Far East Finance Centre, 16 Harcourt, Hong Kong, no later than 4: 30 p.m. on Monday, 27 May 2024.
- (g) With respect to resolution no.3 of this notice, Mr. Chen Jen-Tse, Mr. Lo Wai Hung and Mr. Fong Heng Boo will retire and, being eligible, offer themselves for re-election at the 2024 AGM pursuant to article 108(a) of the Articles of Association.  
  
Details of the above Retiring Directors are set out in Appendix I to the circular. Details of submitting the proposal by a shareholder for nomination of a person for election as a Director at the 2024 AGM are set out under the section headed "4. Re-election of Retiring Directors" in this circular.
- (h) In relation to resolution no.6 above, the Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of an authority for the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on the Stock Exchange, is set out in Appendix II to this circular.
- (i) In relation to resolution No. 8 above, a summary of the principal terms of the Share Scheme is set out in Appendix III of this circular.
- (j) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this notice, the Board comprises two Executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; one Non-executive Director: Mr. Lo Wai Hung; and four Independent Non-executive Directors: Mr. Loo Yau Soon, Mr. Fong Heng Boo, Mr. Tang King San Terence and Ms. Chan Yuk Ying Phyllis.*