
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in World Houseware (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



世界（集團）有限公司
WORLD HOUSEWARE (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 713)

**PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at the Jade Room, 6th Floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong at 3:45 p.m. on Thursday, 13 June 2024 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3:30 p.m. on the same date and at the same place) is set out on pages 28 to 30 of this circular.

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

Hong Kong, 24 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
Introduction	4
Proposed Adoption of the Share Option Scheme	5
EGM	11
Proxy Arrangement	11
Responsibility Statement	12
Recommendation	12
General Information	12
Appendix Summary of the Principal Terms of the Share Option Scheme	13
Notice of Extraordinary General Meeting	28

DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by the Shareholders passing the relevant resolution at the EGM
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“chief executive”	has the meaning ascribed to it under the Listing Rules
“close associate”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands, as consolidated and revised from time to time
“Company”	World Houseware (Holdings) Limited, a company incorporated in the Cayman Islands and whose Shares are listed on the Stock Exchange (stock code: 713)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to make an Offer, or the grant of an Option to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Option Scheme
“Director(s)”	the director(s) of the Company, from time to time

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held at the Jade Room, 6th Floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong at 3:45 p.m. on Thursday, 13 June 2024 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3:30 p.m. on the same date and at the same place) or any adjournment thereof, to consider and, if thought fit, to approve the proposed adoption of the Share Option Scheme
“Employee Participant(s)”	director(s) and employee(s) (whether full-time or part-time) of any member of the Group
“Exercise Period”	in respect of any particular Option, the period during which such Option is exercisable as to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant but subject to the provisions for early termination in the Share Option Scheme
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the terms of the Share Option Scheme
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the Personal Representative(s) of such person
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	17 May 2024, being the latest practicable date for ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Offer”	the offer of the grant of an Option made in accordance with the terms of the Share Option Scheme
“Old Share Option Scheme”	the share option scheme adopted by the Company on 10 June 2011 and expired on 9 June 2021
“Option”	the option to subscribe for new Shares pursuant to the Share Option Scheme
“Participant(s)”	Employee Participant(s), provided that the Board has absolute discretion to determine whether or not one falls within the above category
“Personal Representative(s)”	the person(s) who, in accordance with the laws of succession applicable in respect of death of a Grantee, is/are entitled to exercise the Option(s) granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	the limit on grant(s) of Option(s) and/or award(s) over new Shares under all share schemes of the Company approved by the Shareholders, which must not exceed 10% of the total number of issued Shares as at the Adoption Date
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, the summary of the principal terms of which are set out in Appendix to this circular
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



世界（集團）有限公司 WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 713)

Executive Directors:

Mr. Lee Tat Hing (*Chairman*)
Ms. Fung Mei Po (*Chief Executive Officer*)
Mr. Lee Chun Sing
Mr. Lee Kwok Sing Stanley
Mr. Leung Cho Wai
Mr. Tsui Chi Yuen
Mr. Lee Hon Sing Alan

Non-executive Directors:

Mr. Cheung Tze Man Edward
Ms. Lee Ka Yee

Independent non-executive Directors:

Mr. Tsui Chi Him Steve
Mr. Ho Tak Kay
Mr. Hui Chi Kuen Thomas
Ms. Tsang Wing Yee
Ms. Hong Ting

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

Flat A, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

24 May 2024

To the Shareholders

Dear Sir or Madam,

PROPOSED ADOPTION OF SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolution(s) to be proposed at the EGM to approve the proposed adoption of the Share Option Scheme and to give you notice of the EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

As the Old Share Option Scheme has expired, the Board considers that it is in the interest of the Company to adopt the Share Option Scheme so as to continue to provide incentives or rewards to eligible participants thereunder for their contributions to the success of the Group.

Old Share Option Scheme

The Old Share Option Scheme, which the Company adopted on 10 June 2011 for a period of 10 years, expired on 9 June 2021. During the term of the Old Share Option Scheme, a total of 162,800,020 options were granted thereunder to subscribe for an aggregate of up to 162,800,020 Shares, of which 41,300,000 options remained unexercised or outstanding as at the Latest Practicable Date.

Upon the expiry of the Old Share Option Scheme, no further options shall be granted but in respect of all options which remain exercisable at the end of such period, the provisions of the Old Share Option Scheme shall remain in full force and effect. As at the Latest Practicable Date, save as disclosed above, the Company had no subsisting share option scheme.

Share Option Scheme

Taking into account the expiry of the Old Share Option Scheme and the amendments to Chapter 17 of the Listing Rules, which took effect on 1 January 2023, the Directors consider that the adoption of the Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with flexibility in long-term planning of granting the Options to Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their actual or potential contribution to the Group.

The purpose of the Share Option Scheme is to (a) allow the Company to grant Options to the Participants as rewards or incentives for their contributions to the Group; (b) enable the Group to attract, recruit and retain the Participants whose contributions are or will be beneficial to the long-term growth of the Group; and (c) motivate the Participants to optimise their performance and efficiency for the benefit of the Group.

Pursuant to the terms of the Share Option Scheme, in determining the basis of eligibility of each Participant, the Board would take into account on a case-by-case basis the following factors which include, among others, (i) individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of employment or appointment with the Group; and (iv) individual contribution or potential contribution to the development and growth of the Group.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Option to the independent non-executive Directors under the Share Option Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive Directors as eligible persons of share option schemes among public companies; and (iii) independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, as well as their vital role in maintaining a sound corporate governance framework and supervising the internal control system within the Group, the Board believes the inclusion of independent non-executive Directors as Participants and the flexibility to grant Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options under the Share Option Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Option is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued in respect of all options and awards granted to such person in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Options to the independent non-executive Directors.

Under the Share Option Scheme, the Board may as it thinks fit specify any condition in the Offer. Save as determined by the Board and provided in the Offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Option granted to any Participant. The Board believes that this will provide it with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each Offer and facilitate the Board to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

LETTER FROM THE BOARD

The Board considers that it is not practicable to expressly set out a generic set of performance targets in the Share Option Scheme, as each Grantee will play different roles and contribute in different ways to the Group. The Board considers it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed upon the grant of Options, the Board will have regard to the purpose of the Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, cash flow, earnings, earnings per share, market value or economic value added, profits, return on assets, return on equity, return on investment, sales, revenue, share price, total shareholder return, customer satisfaction metrics, operating results and such other goal as the Board may determine from time to time.

As at the Latest Practicable Date, the Company had no concrete plan to grant Options under the Share Option Scheme in the next 12 months.

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

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

Conditions precedent of the Share Option Scheme

The Share Option Scheme shall take effect subject to:

- (a) the passing of ordinary resolution(s) by the Shareholders at the EGM (i) to approve and adopt the Share Option Scheme, and (ii) to authorise the Board to grant Option(s) under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option(s) to be granted pursuant to the Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company upon the exercise of any Option(s) that may be granted under the Share Option Scheme.

LETTER FROM THE BOARD

Maximum number of Shares available for issue

The maximum number of Shares which may be issued upon the exercise of all Options which may be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

As at the Latest Practicable Date, the number of issued Shares was 792,117,421. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options which may be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 79,211,742, representing 10% of the total number of issued Shares on the date of approval of the Share Option Scheme.

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

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

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 Option Scheme.

Explanation of the terms of the Share Option Scheme

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

The Exercise Price of the Options granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion subject to a minimum amount set out in the rules of the Share Option Scheme. The Board may specify in the Offer letter at the grant of the relevant Option the performance targets that need to be achieved by a Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Participants.

LETTER FROM THE BOARD

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

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

LETTER FROM THE BOARD

Value of the Options

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

Document on display

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

Application for listing

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

Competing interest

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

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at the Jade Room, 6th Floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong at 3:45 p.m. on Thursday, 13 June 2024 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3:30 p.m. on the same date and at the same place) is set out on pages 28 to 30 of this circular. Ordinary resolution(s) will be proposed at the EGM for the Shareholders to consider, and if thought fit, approve, among other things, the proposed adoption of the Share Option Scheme.

In order to ascertain the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 6 June 2024. Shareholders whose names appear on the register of members of the Company on Thursday, 13 June 2024 are entitled to attend and vote at the EGM or any adjournment thereof.

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

PROXY ARRANGEMENT

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.worldhse.com). Whether or not you are able to attend the EGM in person, you are requested to complete and sign the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider that the proposed adoption of the Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and accordingly the Directors recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM as set out in the notice of the EGM.

GENERAL INFORMATION

Your attention is drawn to the Appendix to this circular, which gives a summary of the principal terms of the Share Option Scheme.

The English text of this circular shall prevail over the Chinese text in the event of any inconsistency.

Yours faithfully,
For and on behalf of the Board
WORLD HOUSEWARE (HOLDINGS) LIMITED
Lee Tat Hing
Chairman

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

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

1. PURPOSE

The purpose of the Share Option Scheme is to (a) allow the Company to grant Options to the Participants as rewards or incentives for their contributions to the Group; (b) enable the Group to attract, recruit and retain the Participants whose contributions are or will be beneficial to the long-term growth of the Group; and (c) motivate the Participants to optimise their performance and efficiency for the benefit of the Group.

2. ADMINISTRATION OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation, application or effect shall (save as otherwise provided therein and in the absence of manifest error) be final, conclusive and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the Share Option Scheme, the Board shall have the right to (a) interpret and construe the provisions of the Share Option Scheme; (b) determine the persons (if any) who shall be offered Options under the Share Option Scheme, and the number of Shares and Exercise Price in relation to such Options; (c) make such adjustments to the terms of the Options granted under the Share Option Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the Share Option Scheme.

3. PARTICIPANTS AND BASIS OF ELIGIBILITY OF PARTICIPANTS

Participants for the Share Option Scheme include Employee Participant(s) including director(s) and employee(s) (whether full-time or part-time) of any member of the Group, provided that the Board has absolute discretion to determine whether or not one falls within the above category.

In determining the basis of eligibility of each Participant, the Board would take into account on a case-by-case basis the following factors which include, among others, (a) individual performance; (b) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of employment or appointment with the Group; and (d) individual contribution or potential contribution to the development and growth of the Group.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

4. GRANT AND ACCEPTANCE OF OPTIONS

On and subject to the terms of the Share Option Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound) at any time and from time to time on any Business Day within 10 years commencing on the Adoption Date to make an Offer (and subject to any conditions as it may think fit) to any Participant as the Board may in its absolute discretion select to take up Option(s) pursuant to which such Participant may, during the Exercise Period, subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may determine at the Exercise Price, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws, or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to a Participant in writing by letter (and unless so made shall be invalid) in such form as the Board may from time to time determine, specifying the number of Shares under the Option, the Exercise Price and the Exercise Period in respect of which the Offer is made and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of 28 days from the Date of Grant, provided that no such Offer shall be open for acceptance after the expiry of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the terms thereof or after the Participant for whom the Offer is made has ceased to be a Participant.

An Offer shall be deemed to have been accepted when the Company receives from the Grantee the duplicate Offer letter comprising acceptance of the Option(s) duly signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is 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.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

5. VESTING PERIOD

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

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

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

6. EXERCISE OF OPTIONS AND EXERCISE PRICE

An Option may be exercised in whole or in part by the Grantee (or, as the case may be, his/her Personal Representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price multiplied by the number of Shares in respect of which the notice is given. Within 28 days after receipt of the notice and the remittance of the full amount of the relevant aggregate Exercise Price and, where appropriate, receipt of the certificate from the Company’s auditors or independent financial adviser, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his/her Personal Representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his/her Personal Representative(s)) share certificate(s) in respect of the Shares so allotted.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

Holders of the Options are not entitled to voting, dividend, transfer and any other rights of the Shareholders, including those arising on a liquidation of the Company, save as otherwise provided in the Share Option Scheme or under the relevant laws or the memorandum of association and the articles of association of the Company in effect from time to time.

The Exercise Price shall be determined by the Board in its absolute discretion but in any event must be at least the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares,

provided that the Exercise Price may be subject to adjustment in accordance with the terms of the Share Option Scheme.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

Subject to the Listing Rules, the maximum number of Shares which may be issued upon the exercise of all Options which may be granted under the Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date. Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) provided that (a) the maximum number of Shares which may be issued upon exercise of all Options which may be granted under the Share Option Scheme under the Scheme Mandate Limit as refreshed together with all options and awards which may be granted under any other share schemes of the Company must not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshed Scheme Mandate Limit; and (b) any refreshment of the Scheme Mandate Limit shall be subject to such Shareholders' approval and circular requirements as may be required by the Listing Rules from time to time. Any refreshment of the Scheme Mandate Limit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

The Company may grant Options beyond the Scheme Mandate Limit to Participant(s) if (a) separate Shareholders' approval in general meeting has been obtained for granting Options beyond the Scheme Mandate Limit to Participant(s) specifically identified by the Company before such Shareholders' approval is sought; (b) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to the Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular; and (c) the number and terms of the Options to be granted to such Participant(s) shall be fixed before the approval of the Shareholders (and the date of the 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 OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of Options to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Options in question).

Where any grant of Options 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 scheme) to such person in the twelve (12)-month period up to and including the Date of Grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by the Shareholders in general meeting of the Company where the Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting, the Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules, and the grant of Options shall be subject to such other Shareholders' approval and circular requirements in accordance with the Listing Rules.

Such circular explaining the proposed grant must contain, among other matters, (i) details of the number and terms of the Options to be granted to each Participant, which must be fixed before Shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (iii) information relating to any Directors who are trustees of the Share Option Scheme or have a direct or indirect interest in the trustees; and (iv) information as may be required by the Stock Exchange from time to time.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

Any change in the terms of Options granted to a 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 Rule 17.04(4) of the Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme).

9. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Where any grant of Options to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant share scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person) abstaining from voting, and the following provisions shall apply:

- (i) the grant is only to a Participant specifically identified by the Company before the Shareholders' approval is sought;
- (ii) a circular, which must disclose the identity of the Participant in question, the number and terms of the Options to be granted (and those options and awards previously granted to such Participant in the 12-month period), the purpose of granting Options to the Participant and an explanation as to how the terms of the Options serve such purpose, shall be despatched to the Shareholders; and
- (iii) the number and terms of the Options to be granted to such Participant must be fixed before the approval of the Shareholders (and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Exercise Price).

10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the Share Option Scheme, an Option may be exercised in whole or in part by the Grantee (or, as the case may be, his/her Personal Representative(s)) at any time during the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant but subject to the provisions for early termination of the Share Option Scheme.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

The Offer shall specify the terms on which the Option is to be granted. The Board may, subject to the provisions of the Share Option Scheme, the Companies Act and the Listing Rules, impose any conditions in relation to the Offer as it may in its absolute discretion think fit. Save as determined by the Board and provided in the Offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Option granted to any Participant.

11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

The Company may not grant any Options after inside information (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) has come to its knowledge until (and including) the trading day after it has announced the information pursuant to the requirements of the Listing Rules. In particular, it may not grant any Options during the period commencing one (1) month immediately before the earlier of:

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

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

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

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

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of Appendix C3 to the Listing Rules.

The grant of Options will be subject to and in accordance with the Listing Rules as amended, supplemented or otherwise modified from time to time.

12. RIGHTS ARE PERSONAL TO GRANTEES

An Option 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, assign or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement to do so. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

If the Grantee is an employee or director of any member of the Group, and such Grantee ceases to be a Participant by reason of the termination of his/her employment or directorship on the grounds that he/she has been guilty of serious misconduct, or has been in breach of a material term of the relevant employment contract or engagement contract, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has committed any act of bankruptcy or has become insolvent, or has been served a petition for bankruptcy or winding-up, or has made any arrangements or compromise with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other grounds on which an employer would be entitled to terminate his/her employment summarily or at common law, or has done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), his/her Option (to the extent not already exercised) shall lapse automatically on the date of cessation or termination and not be exercisable.

14. RIGHTS ON DEATH

If a Grantee ceases to be a Participant by reason of his/her death before exercising his/her Option in full and none of the events which would be a ground for termination of his/her employment or directorship as specified in paragraph 13 having arisen, his/her Personal Representative(s) may exercise the Option in whole or in part up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of twelve (12) months following the date of his/her death, or up to the expiry of the Exercise Period, whichever is earlier, failing which it will lapse, provided that where any of the events set out in paragraphs 16 to 18 occurs prior to his/her death or within such period of six (6) months following his/her death, then his/her Personal Representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs provided further that if within a period of three (3) years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 13 which would have entitled the Company or the relevant Subsidiary to terminate his/her employment or directorship prior to his/her death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's Personal Representative(s) and/or to the extent the Option has been exercised in whole or in part by his/her Personal Representative(s), but Shares have not been allotted, he/she shall be deemed not to have so exercised such Option and the Company shall return to him/her the amount of the aggregate Exercise Price for the Shares received by the Company in respect of the purported exercise of such Option.

15. RIGHTS ON CESSATION FOR OTHER REASONS

In the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his/her death or the termination of his/her employment or directorship on one or more of the grounds specified in paragraph 13 (excluding the transfer of employment from one company to another company within the Group), the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment or directorship (which date shall be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable.

16. RIGHTS ON GENERAL OFFER

In the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his/her Personal Representative(s)) shall be entitled to exercise the vested Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company.

In the event a general offer by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meeting(s), the Company shall forthwith notify all Grantees and any Grantee (or his/her Personal Representative(s)) may at any time thereafter (but before such time as shall be notified by the Company) exercise the vested Option either to its full extent or to the extent notified by the Company.

17. RIGHTS ON WINDING UP

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his/her Personal Representative(s)) may at any time thereafter but before such time as shall be notified by the Company and by notice in writing to the Company, accompanied by the remittance of the full amount of the aggregate Exercise Price in respect of the relevant Option (such notice to be received by the Company not later than two (2) Business Days prior to the proposed general meeting of the Company) exercise the vested Option (to the extent not already exercised) either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares to the Grantee which fall to be issued on such exercise.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

18. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 16 above, between the Company and its members or creditors is proposed in connection with a scheme for the restructuring, reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and any Grantee (or his/her Personal Representative(s)) may at any time thereafter but before such time as shall be notified by the Company and by notice in writing to the Company, accompanied by the remittance of the full amount of the aggregate Exercise Price in respect of the relevant Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting of the Company) exercise the vested Option (to the extent not already exercised) either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed meeting of the Company, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on such exercise. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not already exercised, lapse and be terminated.

19. CANCELLATION OF OPTIONS

The Board may at any time in its absolute discretion cancel any Options previously granted to, but not yet exercised by such Grantee. Where the Company cancels Options granted and makes a new grant of Options to the same Grantee, such new grant may only be made under the Share Option Scheme with available Scheme Mandate Limit approved by the Shareholders from time to time as set out in paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

20. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of securities of the Company as consideration in a transaction), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Options so far as unexercised;
or

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

(ii) the Exercise Price;

or any combination thereof, provided that:

- (a) any such adjustments must give a Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph 20(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue or capitalisation issue, shall be made in accordance with the Supplementary Guidance or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value (if any).

In respect of any adjustments referred to in this paragraph, other than any made on a capitalisation issue, the Company shall engage the auditors or independent financial adviser to confirm to the Directors in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph satisfy the requirements set out herein and are in their opinion fair and reasonable.

21. RANKING ON SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the articles of association of the Company for the time being in force and shall rank *pari passu* in all respects with the fully paid Shares in issue as from the date on which the name of the Grantee is registered on the register of members of the Company and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the name of the Grantee is registered on the register of members of the Company other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date on which the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of an Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. Shares allotted and issued upon the exercise of an Option shall not carry voting rights, right to dividend, right to transfer and other rights, including those arising on a liquidation of the Company, until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

22. DURATION OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Option(s) shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Option(s) granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant within the Exercise Period for which such Option(s) are granted, notwithstanding the expiry or termination of the Share Option Scheme.

23. ALTERATIONS TO THE TERMS OF THE SHARE OPTION SCHEME

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

- (i) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants must be approved by the Shareholders in general meeting;
- (ii) any change to the terms of Options granted to a Participant 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 Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alterations take effect automatically under the existing terms of the Share Option Scheme;
- (iii) any change in the terms of Options granted to a 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 general meeting if the initial grant of the Options requires such approval, except where the changes take effect automatically under the existing terms of the Share Option Scheme; and
- (iv) any change to the authority of the Board to alter the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

24. CONDITIONS OF THE SHARE OPTION SCHEME

The Share Option Scheme shall take effect subject to:

- (a) the passing of ordinary resolution(s) by the Shareholders at a general meeting of the Company (i) to approve and adopt the Share Option Scheme; and (ii) to authorise the Board to grant Option(s) under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Option(s) to be granted pursuant to the Share Option Scheme; and
- (b) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company upon the exercise of any Option(s) that may be granted under the Share Option Scheme.

25. LAPSE OF OPTIONS

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

- (a) the expiry of the Exercise Period (subject to the provisions of the Share Option Scheme);
- (b) the expiry of any of the periods referred to in paragraphs 13 to 18;
- (c) the expiry of the period in relation to a general offer by way of takeover or otherwise (other than by way of scheme of arrangement) referred to in paragraph 16 subject to any court of competent jurisdiction not making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (d) subject to the scheme of arrangement (referred to in paragraph 16) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 16;
- (e) the date of the commencement of the winding-up of the Company;

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

- (f) if the Grantee is an employee or director of any member of the Group, the date on which such Grantee ceases to be a Participant by reason of the termination of his/her employment or directorship on the grounds that he/she has been guilty of serious misconduct, or has been in breach of a material term of the relevant employment contract or engagement contract, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his/her debts or has committed any act of bankruptcy or has become insolvent, or has been served a petition for bankruptcy or winding-up, or has made any arrangements or compromise with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other grounds on which an employer would be entitled to terminate his/her employment summarily or at common law, or has done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company). A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 25(f) shall be final, conclusive and binding on the Grantee, and where appropriate, his/her Personal Representative(s); and
- (g) the date on which the Grantee commits a breach of paragraph 12.

26. TERMINATION

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme before the end of its life, and in such event, no further Option(s) may be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the Share Option Scheme. Options granted prior to such termination but not exercised, or in respect of which Shares are not yet issued to the Grantee, shall continue to be valid and exercisable in accordance with the Share Option Scheme.

27. MISCELLANEOUS

Any dispute arising in connection with the Share Option Scheme (whether as to the number of Shares of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Company's auditors or the independent financial adviser who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

NOTICE OF EXTRAORDINARY GENERAL MEETING



世界（集團）有限公司
WORLD HOUSEWARE (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 713)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of World Houseware (Holdings) Limited (the “**Company**”) will be held at the Jade Room, 6th Floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong at 3:45 p.m. on Thursday, 13 June 2024 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3:30 p.m. on the same date and at the same place) for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares of the Company which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**Share Option Scheme**”), the rules of which have been produced to the EGM and marked “**A**” and initialed by the chairman of the EGM for identification purpose, the rules of the Share Option Scheme be and are hereby approved and adopted and the directors of the Company (the “**Directors**”) be and are hereby authorised to grant options to allot, issue and deal in the shares of the Company as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Share Option Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the total number of shares of the Company to be allotted and issued pursuant to (a) above, together with any issue of shares of the Company upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of shares of the Company as equals to 10 per cent of the shares of the Company in issue as at the date of passing of this resolution.”

By Order of the Board
WORLD HOUSEWARE (HOLDINGS) LIMITED
Lee Tat Hing
Chairman

Hong Kong, 24 May 2024

Registered office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

Flat A, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or (if he/she is a holder of two or more shares) more proxies to attend and to vote in his/her stead. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which such proxy is so appointed.
2. A form of proxy for use at the meeting is enclosed. To be valid, the completed form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The proxy form will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.worldhse.com).

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. Completion and return of the proxy form will not preclude a member from attending and voting in person at the meeting or any adjournment thereof if the member so desires and in such event, the authority of your proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the entitlement to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 June 2024. Members whose names appear on the register of members of the Company on Thursday, 13 June 2024 are entitled to attend and vote at the meeting or any adjournment thereof.
5. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand first in the register of members of the Company in respect of the joint holding.
6. Any voting at the meeting shall be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
7. **BAD WEATHER ARRANGEMENTS:**

If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 11:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.worldhse.com) to notify Shareholders of the date, time and venue of the rescheduled meeting.

As at the date of this notice, the Executive Directors of the Company are Mr. Lee Tat Hing, Ms. Fung Mei Po, Mr. Lee Chun Sing, Mr. Lee Kwok Sing Stanley, Mr. Leung Cho Wai, Mr. Tsui Chi Yuen and Mr. Lee Hon Sing Alan; the Non-executive Directors of the Company are Mr. Cheung Tze Man Edward and Ms. Lee Ka Yee; the Independent Non-executive Directors of the Company are Mr. Tsui Chi Him Steve, Mr. Ho Tak Kay, Mr. Hui Chi Kuen Thomas, Ms. Tsang Wing Yee and Ms. Hong Ting.