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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, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Silver Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國白銀集團
CHINA SILVER GROUP
CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE ADDITIONAL
SHARES AND/OR RESELL TREASURY SHARES
AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) ADOPTION OF SHARE AWARD SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 6 to 18 of this circular.

Resolutions will be proposed at the Annual General Meeting of the Company to be held at Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Wednesday, 18 June 2025 at 2:00 p.m. or any adjournment thereof to approve the matters referred to in this circular.

The notice convening the Annual General Meeting together with the form of proxy for use at the meeting are enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 2:00 p.m. on Monday, 16 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

27 May 2025

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DEFINITIONS

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

“Actual Selling Price”	the actual price at which the Awarded Shares are sold by the Trustee pursuant to paragraph 9.2 of Appendix III to this circular (net of brokerage, Stock Exchange trading fee, transaction levy of the Securities and Futures Commission, transaction levy of the Accounting and Financial Reporting Council of Hong Kong, and any other applicable costs, expenses and taxes) on vesting of an Award pursuant to the Share Award Scheme;
“Adoption Date”	18 June 2025, the date on which the Share Award Scheme was conditionally adopted by the Shareholders;
“Annual General Meeting”	the annual general meeting to be convened by the Company, to be held on Wednesday, 18 June 2025 at Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, the notice of which is set out on pages 40 to 47 of this circular;
“Articles of Association”	the memorandum and articles of association of the Company, as amended, modified or otherwise supplemented from time to time, and “Article” shall mean an Article of the Articles of Association;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee of the Board;
“Auditor”	the auditor of the Company at the relevant time;
“Award(s)”	award(s) of Share(s) pursuant to the Share Award Scheme;
“Awarded Share(s)”	in respect of a Grantee, such number of Share(s) awarded by the Board;
“Board”	the board of the Directors;
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;

DEFINITIONS

“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	China Silver Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company or any of its Subsidiaries as permitted under the Share Award Scheme to the Trust as determined by the Board from time to time;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Core Connected Persons”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	eligible persons under the Share Award Scheme, which are the employees of the Company or any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, and does not include any independent non-executive Directors;
“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Share(s) pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;
“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of the Share Award Scheme, or (where the context so permits) a person entitled to any such Award in consequence of the death of the original Grantee, or the Personal Representative of such person;

DEFINITIONS

“Grant Date”	in respect of an Award, the Business Day on which the Board resolves to make an Offer, or the grant of an Award to an Eligible Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Award Scheme;
“Grant Letter”	the letter issued by the Company to the Eligible Participant with respect to the Awarded Shares granted under the Share Award Scheme;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited, including, where the context so requires, its agents, nominees, representatives, officers and employees;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Individual Limit”	has the meaning ascribed to it in paragraph 6.7 of Appendix III to this circular;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Latest Practicable Date”	21 May 2025, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Nomination Committee”	the nomination committee of the Board;
“Offer”	the offer of the grant of an Award made in accordance with the Share Award Scheme;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Award granted to such Grantee (to the extent not already exercised);

DEFINITIONS

“PRC”	the People’s Republic of China;
“Purchase Price”	the purchase price of the Awarded Shares (where applicable) granted by the Board to a Grantee as notified by the Board to such Grantee;
“Remuneration Committee”	the remuneration committee of the Board;
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph 6.1 of Appendix III to this circular;
“Scheme Period”	has the meaning ascribed to it in paragraph 3.1 of Appendix III to this circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Share Award Scheme”	the Share Award Scheme proposed to be approved and adopted by the Shareholders at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this circular;
“Share Issue and Resale Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and otherwise deal with additional Shares and/or to resell or transfer Treasury Shares of up to a maximum of 20% of the total number of issued Shares (excluding Treasury Shares) of the Company as at the date of the passing of the relevant resolution approving such grant;
“Share Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares up to a maximum of 10% of the total number of issued Shares (excluding Treasury Shares) of the Company as at the date of the passing of the relevant resolution approving such grant;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended from time to time; and
“Treasury Share(s)”	has the meaning ascribed to the term “treasury shares” under the Listing Rules as applied to the Shares, and for the purposes of the Share Award Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed to be entered into among, inter alia, the Company and the Trustee (as restated, supplemented and amended from time to time) in relation to the Share Award Scheme;
“Trust Fund”	the funds and properties directly or indirectly held under the Trust and managed by the Trustee for the benefit of the Eligible Participants (other than the Excluded Participants);
“Trustee”	the trustee(s) to be appointed by the Company for the administration of the Share Award Scheme;
“Vesting Period”	has the meaning ascribed to it in paragraph 9.3 of Appendix III to this circular; and
“%”	per cent.

LETTER FROM THE BOARD



中國白銀集團
CHINA SILVER GROUP
CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

Executive Directors:

Mr. CHEN Wantian (*Chairman*)
Mr. SONG Guosheng

Independent Non-executive Directors:

Mr. SONG Hongbing
Ms. SONG Fangxiu
Dr. ZENG Yilong

Registered Office:

Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

*Head Office and Principal Place
of Business in the PRC:*

29th Floor, Shuibe International
No. 99 Beili North Road
Luohu District
Shenzhen, Guangdong, the PRC

Principal Place of Business in Hong Kong:

Unit 5, 17/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

27 May 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE ADDITIONAL
SHARES AND/OR RESELL TREASURY SHARES
AND TO REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) ADOPTION OF SHARE AWARD SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed grant of the Share Issue and Resale Mandate and the Share Repurchase Mandate, (ii) the re-election of Directors who are going to offer themselves for re-election at the Annual General Meeting and (iii) the proposed adoption of the Share Award Scheme, and to give you the notice of the Annual General Meeting. A notice of the Annual General Meeting containing the resolutions to be proposed at the Annual General Meeting is set out in this circular.

LETTER FROM THE BOARD

2. SHARE ISSUE AND RESALE MANDATE

At the annual general meeting of the Company held on 14 June 2024, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue additional Shares and/or resell Treasury Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting that the Directors be granted a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with additional Shares and/or to resell or transfer Treasury Shares for up to a maximum of 20% of the total number of issued Shares (excluding Treasury Shares) of the Company as at the date of the passing of such ordinary resolution. As at the Latest Practicable Date, there were 2,342,125,559 issued Shares. As at the Latest Practicable Date, the Company did not have any Treasury Shares. Subject to the passing of the relevant ordinary resolution to approve the Share Issue and Resale Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be authorised to allot, issue and deal with additional Shares and/or to resell or transfer Treasury Shares for up to a maximum of 468,425,111 Shares under the Share Issue and Resale Mandate.

In addition, it is further proposed, by way of a separate ordinary resolution, that the Share Issue and Resale Mandate be extended so that the Directors be given a general mandate to issue and/or resell further number of Shares equal to the total number of Shares repurchased under the Share Repurchase Mandate.

The Share Issue and Resale Mandate, if granted, will continue in force until the earliest of (a) the conclusion of the next annual general meeting of the Company after the Annual General Meeting; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held under its Articles of Association or the laws applicable to the Company; and (c) the revocation or variation of such authority by an ordinary resolution passed at a general meeting of the Company.

3. SHARE REPURCHASE MANDATE

At the annual general meeting of the Company held on 14 June 2024, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting that the Directors be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of issued Shares (excluding Treasury Shares) of the Company as at the date of passing of such ordinary resolution. As at the Latest Practicable Date, there were 2,342,125,559 issued Shares. Subject to the passing of the relevant ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be authorised to repurchase a maximum of 234,212,555 Shares under the Share Repurchase Mandate.

LETTER FROM THE BOARD

The Share Repurchase Mandate, if granted, will continue in force until the earliest of (a) the conclusion of the next annual general meeting of the Company after the Annual General Meeting; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held under its Articles of Association or the laws applicable to the Company; and (c) the revocation or variation of such authority by an ordinary resolution passed at a general meeting of the Company.

An explanatory statement containing information relating to the Share Repurchase Mandate as required pursuant to the Listing Rules is set out in Appendix I on pages 19 to 22 of this circular.

4. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, Mr. Chen Wantian and Mr. Song Guosheng were the executive Directors; and Mr. Song Hongbing, Dr. Zeng Yilong and Ms. Song Fangxiu were the independent non-executive Directors.

In accordance with Article 84(1) of the Articles of Association, Mr. Song Guosheng and Ms. Song Fangxiu shall retire from office by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board the re-election of all the aforesaid Directors, including Ms. Song Fangxiu, an independent non-executive Director. Ms. Song Fangxiu has confirmed her independence to the Company in accordance with Rule 3.13 of the Listing Rules. The Board has assessed and reviewed Ms. Song Fangxiu's independence and believes that she has satisfied the independence requirements under the Listing Rules, and believes that she will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Therefore, her re-election as an independent non-executive Director is in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II on pages 23 to 24 of this circular.

5. PROPOSED ADOPTION OF SHARE AWARD SCHEME

Duration and Purpose

The Board proposes the adoption of the Share Award Scheme, which will be valid for a period of ten (10) years from the Adoption Date (the “**Scheme Period**”).

The purposes of the Share Award Scheme are to reward and incentivize Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. By granting Awards to the Eligible Participants who are expected to make meaningful future contribution to the Group’s performance and success, it serves as a recognition of their potential and strengthens their sense of belonging and loyalty to the Group. It also reinforces a corporate culture of meritocracy and performance excellence by delivering a clear signal to the employees that sustained contribution and alignment with the Group’s values would be recognized. Furthermore, by granting rewards to the Eligible Participants in the form of equity interests in the Company, it helps the Group foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders, which fosters employee behaviour and decision-making that supports long-term value creation for the Group and its stakeholders.

Administration

The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Share Award Scheme and the Trust Deed. The Board may, from time to time and in its absolute discretion, grant Awards to any Eligible Participants. The Share Award Scheme is funded by the issuance of new Shares and transfer of Treasury Shares by the Company under the Scheme Mandate Limit. The Awarded Shares shall be held on trust by the Trustee for the Grantees until such Awarded Shares are vested with the relevant Grantees in accordance with the rules of the Share Award Scheme and the Trust Deed. The decision of the Board and the Trustee regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties.

LETTER FROM THE BOARD

As of the Latest Practicable Date, no Trustee has been appointed under the Shares Award Scheme. The Company will enter into the Trust Deed with the Trustee. It is expected that none of the Directors will be a trustee of the Share Award Scheme nor has a direct or indirect interest in the Trustee.

The Company is allowed to use Treasury Shares for the Share Award Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association of the Company. If the Company has Treasury Shares available, the Company may use the Treasury Shares for the Share Award Scheme where appropriate.

Scope of Eligible Participants

The Eligible Participants of the Share Award Scheme are the employees of the Company or any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies). The scope of the Eligible Participants does not include independent non-executive Directors.

When assessing the eligibility of an Eligible Participant, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties and importance of their roles, as well as their overall work performance and value towards the Group's business operations and objectives; (ii) their professional qualifications and knowledge in the industry, particularly where such attributes align with the Group's direction and would contribute meaningfully to the Group's future development; (iii) their length of engagement or employment with the Group, with appropriate consideration given to long-serving individuals who have demonstrated loyalty and consistent performance, as well as newer employees whose potential contributions are expected to be critical to the Group's future development; (iv) their past contribution made or future contribution expected to be made to the existing business of the Group, and to the growth and development of the Group, in which the Board would consider the significance and strategic relevance of the individual's contribution or potential; and (v) whether granting of an Award is an appropriate incentive, and how an Award (taken together with any performance targets and/or vesting terms) can serve the purpose of the Share Award Scheme with respect to both the proposed Grantee and the long-term growth of the Group, specifically, the Board will consider whether the Award is likely to meaningfully motivate the proposed Grantee and reinforce alignment with the Group's core values and strategic objectives. The Board may also utilise the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a holistic view as to whether the relevant criteria(s) have been satisfied.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors) are of the view that, based on the nature of the Group's business, the inclusion of employees of the Company or any of its Subsidiaries as Eligible Participants is in line with the purposes of the Share Award Scheme, and is fair and reasonable and in the long-term interests of the Company and the Shareholders as a whole.

The Board has sought advice from its Hong Kong legal advisers and understands the adoption of the Share Award Scheme and the grant of Awards thereunder would not constitute an offer of Shares or debentures under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**"). Therefore, the prospectus requirements under the Companies (WUMP) Ordinance are not applicable to the adoption of the Share Award Scheme. The Company will continue to observe the requirements under the Companies (WUMP) Ordinance and ensure any grant of Awards under the Share Award Scheme does not constitute an offer of Shares or debentures under the Companies (WUMP) Ordinance or will qualify under the exemption thereof.

Scheme Mandate Limit and Individual Limit

The total number of Shares which may be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all Awards to be granted under the Share Award Scheme and any options and awards to be granted under any other schemes of the Company shall not, in aggregate exceed 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date (the "**Scheme Mandate Limit**") or the relevant date of approval of the refreshment of the Scheme Mandate Limit. As at the Latest Practicable Date, the Company did not have any Treasury Shares. Option(s) or award(s) lapsed in accordance with the terms of the Share Award Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. For the avoidance of doubt, any new Shares and/or Treasury Shares subscribed by or allotted to the Trustee for the purpose of satisfying any Award under the Share Award Scheme, whether or not such Shares have been granted to an Eligible Participant, shall be considered as issued utilizing the Scheme Mandate Limit.

As at the Latest Practicable Date, there were 2,342,125,559 Shares in issue (excluding Treasury Shares) and nil Treasury Shares. Assuming that no further Shares will be allotted, issued, repurchased or cancelled prior to the Annual General Meeting and after the resolutions regarding the proposed adoption of the Share Award Scheme are passed at the Annual General Meeting, the Scheme Mandate Limit will be 234,212,555 Shares, representing approximately 10% of the issued Shares as at the Latest Practicable Date (excluding Treasury Shares).

LETTER FROM THE BOARD

The total number of Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all options and awards granted to an individual Grantee at any one time or in aggregate under the Share Award Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the Shares in issue (excluding Treasury Shares) for the time being (the “**Individual Limit**”).

As at the Latest Practicable Date, the Company intends to grant the Awards to Eligible Participants under the Share Award Scheme in the next 12 months. However, the Company has not finalized or confirmed any details of such plans. The Company will make relevant disclosures by way of announcement(s) in compliance with Chapter 17 of the Listing Rules when granting the Award to the Eligible Participants.

Vesting

Subject to the satisfaction of all vesting conditions applicable to the vesting of Awarded Shares to each Grantee, the Awarded Shares held by the Trustee on behalf of such Grantee pursuant to the provisions hereof shall vest in such Grantee in accordance with the applicable vesting schedule as set out in the Grant Letter, and the Trustee shall cause the Awarded Shares to be transferred to such Grantee in accordance with the rules of the Share Award Scheme. In general, the Awards granted under the Share Award Scheme shall be held for not less than twelve (12) months before being vested on the Eligible Participant.

To ensure the practicability in fully attaining the purpose of the Share Award Scheme, the Board and the Remuneration Committee are of the view that a shorter Vesting Period may be more beneficial to the Company than a strict twelve (12)-month vesting requirement for the following reasons:

- (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the holders of the Awards, such as those set out in items (a), (b) and (g) in the paragraph headed “Vesting of Awarded Shares” in paragraph 9 of Appendix III to this circular;
- (ii) to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, enabling the Group to provide a competitive remuneration package to attract and retain individuals, to reward past contribution which may otherwise be neglected due to administrative or compliance reasons and to grant Awarded Shares in exceptional circumstances where justified (see items (c), (d) and (f) in the paragraph headed “Vesting of Awarded Shares” in paragraph 9 of Appendix III to this circular); and

LETTER FROM THE BOARD

- (iii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group. For example, it may be more efficient and meaningful for the Company to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, which requires the flexibility to impose vesting conditions based on individual performances instead of time-based vesting criteria in a competitive and dynamic business environment (see item (e) in the paragraph headed “Vesting of Awarded Shares” in paragraph 9 of Appendix III to this circular).

Hence, the Board and the Remuneration Committee are of the view that the shorter Vesting Period prescribed in paragraph 9 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the Share Award Scheme.

Purchase Price of the Awarded Shares

The Board may in its absolute discretion grant the Awarded Shares at nil consideration, or at a Purchase Price by taking into consideration matters such as the performance and contribution of the Grantee, which shall be paid upon vesting of the Awarded Shares, or at such other time as determined by the Board in its absolute discretion.

The Board considers that such room for discretion on purchase price provides the Board with flexibility to stipulate, if necessary, a purchase price for the Awarded Shares, while balancing the purpose of the Share Award Scheme and the interests of Shareholders.

Performance Targets and Clawback Mechanism

Subject to the Share Award Scheme and the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Award impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Award granted to any Grantee) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company’s financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Award Scheme.

LETTER FROM THE BOARD

There are provisions in the Share Award Scheme which provides for circumstances under which the Award shall lapse automatically in the event that the Grantees cease to be the Eligible Participants, or commit a breach of the Share Award Scheme. As the circumstances for each grant may vary, it may not always be appropriate to impose a generic set of performance target or clawback mechanism. The Award may or may not contain any performance target or clawback mechanism. The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets or clawback mechanism will be attached to each grant in light of the specific circumstances of each Eligible Participant. The Board and the Remuneration Committee will consider all relevant circumstances including the purpose of the grant and the category of the Eligible Participants in determining whether any performance target or clawback mechanism should be imposed. By allowing the Company to impose such performance targets and/or clawback mechanism on a case by case basis, the Board (including the independent non-executive Directors) considers the Company will be in a better position to retain such Eligible Participants to continue serving the Company and to provide incentives to such Eligible Participants in achieving the goals of the Group, which align with the purpose of the Share Award Scheme.

If any performance targets are imposed in the relevant Grant Letter, the Board will have regard to the purpose of the Share Award Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture), and such other goals as the Board may determine from time to time. The achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head. Due to the business nature of the Group, it would not be practicable, or possible, to delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Awards are granted.

LETTER FROM THE BOARD

Other than the circumstances under which the Award shall lapse automatically as set out in the Share Award Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board (including the independent non-executive Directors) is of the view that the performance target and clawback mechanism allow more flexibility for the Board in setting the terms and conditions of the Award under particular circumstances of each grant. By facilitating the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, the performance target and clawback mechanism are considered to be beneficial to the Group and the Shareholders as a whole.

Conditions Precedent of the Share Award Scheme

The adoption of the Share Award Scheme is conditional upon:

- (i) the approval by ordinary resolution of Shareholders in general meeting of the Company to adopt the Share Award Scheme and to authorise the Board to grant the Awards under the Share Award Scheme and to allot, issue and deal with Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Share Award Scheme;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Awards to be granted in accordance with the terms and conditions of the Share Award Scheme; and
- (iii) the appointment of the Trustee and the settling of the Share Award Scheme with the Trustee.

LETTER FROM THE BOARD

General

A summary of the principal rules of the Share Award Scheme is set out in Appendix III to this circular. 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 in respect of all Awards to be granted under the Share Award Scheme.

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 Award Scheme. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

6. VOTING BY POLL

All the resolutions set out in the notice of the Annual General Meeting will be decided by poll in accordance with the Listing Rules. The poll results will be published on the Company's website at www.chinasilver.hk and the Stock Exchange's website at www.hkexnews.hk after the conclusion of the Annual General Meeting.

7. ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on page 40 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 2:00 p.m. on Monday, 16 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting or any adjourned meeting if you so wish. If you attend and vote at the Annual General Meeting, the authority of the proxy will be revoked.

LETTER FROM THE BOARD

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the right to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 12 June 2025 for registration of transfer.

9. 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.

10. DOCUMENTS ON DISPLAY

A copy of the Share Award Scheme will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.chinasilver.hk for display for a period of not less than fourteen (14) days before the date of the Annual General Meeting. In addition, such copies of the Share Award Scheme will be made available for inspection at the Annual General Meeting.

11. RECOMMENDATION

The Board considers that (i) the grant of the Share Issue and Resale Mandate, (ii) the grant of the Share Repurchase Mandate, (iii) the re-election of Directors and (iv) the proposed adoption of the Share Award Scheme as set out respectively in the notice of the Annual General Meeting are all in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all such resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

12. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on Share Repurchase Mandate), Appendix II (Details of Directors Proposed for Re-election) and Appendix III (Summary on the Principal Terms of the Share Award Scheme) to this circular.

By order of the Board
China Silver Group Limited
Chen Wantian
Chairman

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Share Repurchase Mandate to be proposed at the Annual General Meeting.

1. SHARE REPURCHASE PROPOSAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,342,125,559 fully paid-up Shares. It is proposed that up to a maximum of 10% of the fully paid-up Shares (excluding Treasury Shares) in issue as at the date of passing of the relevant resolution to approve the Share Repurchase Mandate may be repurchased by the Directors. Subject to the passing of the relevant ordinary resolution to approve the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase up to a maximum of 234,212,555 fully paid-up Shares.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

Subject to compliance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands, the Company intends to cancel the repurchased Shares and/or hold the repurchased Shares as Treasury Shares following settlement of such repurchases, depending on market conditions and the Group's capital management needs at the relevant time of the repurchases.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the applicable laws of the Cayman Islands.

The Directors propose that such repurchases of Shares be appropriately financed by the Company's internal resources and/or available banking facilities. There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 December 2024 and taking into account the financial position of the Company as at the Latest Practicable Date, in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such 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.

4. DIRECTORS' UNDERTAKING AND CORE CONNECTED PERSONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the exercise of the power of the Company to make repurchases pursuant to the Share Repurchase Mandate will be in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Neither this explanatory statement nor the Share Repurchase Mandate has any unusual features.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates have a present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No Core Connected Persons have notified the Company of a present intention to sell any Shares to the Company, or such Core Connected Persons have undertaken not to do so, in the event that the Company is authorised to make repurchases of its Shares.

5. MEASURES IN RELATION TO ANY TREASURY SHARES DEPOSITED WITH CCASS

To the extent that any Treasury Shares are deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it would not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in the Company's own name as Treasury Shares. These measures may include approval by the Board that (i) the Company would not (or would procure its broker not to) give any instructions to HKSCC to vote at general meetings for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, the Company would withdraw the Treasury Shares from CCASS, and either re-register them in the Company's own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share repurchase, any such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (depending on the level of increase of Shareholders' interests) could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Chen Wantian (partly in his own name and partly through his spouse Ms. Zhou Peizhen's wholly-owned investment holding vehicle Rich Union Enterprises Limited) beneficially held a total of 309,272,187 Shares, which constituted approximately 13.20% of the voting rights attaching to the issued share capital of the Company. If the Share Repurchase Mandate is exercised in full, which is considered to be unlikely in the current circumstances, Mr. Chen Wantian will (assuming that there is no change in the relevant facts and circumstances) beneficially hold approximately 14.67% of the voting rights attaching to the issued share capital of the Company. To the best knowledge and belief of the Directors, such an increase of shareholding would not give rise to an obligation for Mr. Chen Wantian to make a mandatory general offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent that an obligation to make a mandatory general offer under the Takeovers Code will be triggered.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases made pursuant to the Share Repurchase Mandate. Nevertheless, the Directors have no present intention to exercise the Share Repurchase Mandate and will not effect repurchase to such an extent which would result in the Company failing to comply with Rule 8.08 of the Listing Rules which requires a public float of 25%.

7. SHARE REPURCHASES MADE BY THE COMPANY

There was no repurchase by the Company of the Shares during the 6 months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

8. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each calendar month in the previous 12 months up to the Latest Practicable Date were as follows:

Year	Month	Shares	
		Highest Price per Share <i>HK\$</i>	Lowest Price per Share <i>HK\$</i>
2024	May	0.470	0.280
	June	0.335	0.300
	July	0.325	0.255
	August	0.305	0.250
	September	0.305	0.255
	October	0.355	0.290
	November	0.315	0.241
	December	0.260	0.236
2025	January	0.285	0.241
	February	0.310	0.280
	March	0.405	0.260
	April	0.265	0.211
	May (<i>up to and including the Latest Practicable Date</i>)	0.229	0.199

EXECUTIVE DIRECTOR

Mr. Song Guosheng (宋國生), aged 62, is the vice president and an executive Director of the Company. Mr. Song joined the Group in 2002 and was appointed to the Board on 16 August 2012. Mr. Song has approximately 20 years of experience in the production management in the non-ferrous metallurgical industry. He is responsible for production management of the Group.

Mr. Song graduated from Suzhou University of Science and Technology Trade Unions (蘇州職工科技大學) in July 2004 with a diploma of business management.

The Company has renewed the service agreement with Mr. Song for a term of three years commencing from 14 December 2024. His directorship is subject to retirement by rotation and reelection in accordance with the Listing Rules and the Articles of Association. Mr. Song is entitled to a Director's fee of HK\$200,000 per annum. Mr. Song's remuneration has been determined with reference to his duties and responsibilities in the Company, the then prevailing market rate and the remuneration policy of the Company and has been reviewed and approved by the Remuneration Committee.

Mr. Song did not hold any directorship in other listed public companies in the three years immediately preceding the Latest Practicable Date. Save as disclosed above, as far as the Board is aware, Mr. Song does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Song was directly interested in a total of 456,797 Shares. Save as disclosed above, as far as the Board is aware, as at the Latest Practicable Date, Mr. Song did not have any other interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Song confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. SONG Fangxiu (宋芳秀), aged 48, is currently deputy secretary of the Party Committee of the School of Economics, professor and doctoral supervisor at the Department of Finance, Peking University; and director of the China Center for Financial and Investment Research, Peking University. Ms. Song has been teaching at the School of Economics, Peking University since 2003. She has served as lecturer, associate professor, Party Committee member of the School of Economics, deputy director of the Department of Finance and assistant to the dean of the School of Economics. From 2006 to 2007, she was a visiting scholar at the University of Minnesota in the United States.

Ms. Song graduated from the Department of Finance of the School of Economics, Peking University with a doctoral degree in 2003.

Ms. Song has entered into a service contract with the Company for a term of three years commencing from the date of her appointment. Her directorship is subject to retirement by rotation and re-election in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Company’s Articles of Association. Under the aforesaid service contract, Ms. Song is entitled to a remuneration of HK\$200,000 annually, determined by the Board having regard to the recommendation of the Remuneration Committee and with reference to her contributions, experience and relevant duties and responsibilities within the Company.

Ms. Song has served as an independent non-executive director of China CITIC Bank Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 998; and the Main Board of the Shanghai Stock Exchange, stock code: 601998) since October 2023.

Save as disclosed above, Ms. Song did not hold any directorship in other listed public companies in the three years immediately preceding the Latest Practicable Date. Save as disclosed above, as far as the Board is aware, Ms. Song does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, as far as the Board is aware, Ms. Song did not have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Song confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information that should be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

The following is a summary of the principal terms of the Share Award Scheme proposed to be adopted at the Annual General Meeting. It does not form part of, nor is it intended to be part of the rules of the Share Award Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the Share Award Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

1. PURPOSE OF THE SHARE AWARD SCHEME

1.1 The purposes of the Share Award Scheme are to reward and incentivize Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. By granting Awards to the Eligible Participants who are expected to make meaningful future contribution to the Group's performance and success, it serves as a recognition of their potential and strengthens their sense of belonging and loyalty to the Group. It also reinforces a corporate culture of meritocracy and performance excellence by delivering a clear signal to the employees that sustained contribution and alignment with the Group's values would be recognized. Furthermore, by granting rewards to the Eligible Participants in the form of equity interests in the Company, it helps the Group foster long-term relationship with the Eligible Participants by aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders, which fosters employee behaviour and decision-making that supports long-term value creation for the Group and its stakeholders.

2. ELIGIBLE PARTICIPANTS OF THE SHARE AWARD SCHEME

2.1 The Board may, in its absolute discretion, grant Awards to any Eligible Participants, which are the employees of the Company or any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies). The scope of the Eligible Participants does not include independent non-executive Directors.

2.2 When assessing the eligibility of an Eligible Participant, the Board will consider factors as it shall consider relevant, including but not limited to, (i) their job positions, responsibilities, duties and importance of their roles, as well as their overall work performance and value

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

towards the Group's business operations and objectives; (ii) their professional qualifications and knowledge in the industry, particularly where such attributes align with the Group's direction and would contribute meaningfully to the Group's future development; (iii) their length of engagement or employment with the Group, with appropriate consideration given to long-serving individuals who have demonstrated loyalty and consistent performance, as well as newer employees whose potential contributions are expected to be critical to the Group's future development; (iv) their past contribution made or future contribution expected to be made to the existing business of the Group, and to the growth and development of the Group, in which the Board would consider the significance and strategic relevance of the individual's contribution or potential; and (v) whether granting of an Award is an appropriate incentive, and how an Award (taken together with any performance targets and/or vesting terms) can serve the purpose of the Share Award Scheme with respect to both the proposed Grantee and the long-term growth of the Group, specifically, the Board will consider whether the Award is likely to meaningfully motivate the proposed Grantee and reinforce alignment with the Group's core values and strategic objectives. The Board may also utilise the internal assessment system of the Company to assess the Eligible Participant against the criteria(s) set out above and form a holistic view as to whether the relevant criteria(s) have been satisfied.

3. DURATION

- 3.1 The Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (the "**Scheme Period**"), unless terminated earlier as determined by the Board. Awards granted during the Scheme Period, but which remain outstanding and have not lapsed as at the expiry of the Scheme Period, shall continue to be valid in accordance with their terms of grant notwithstanding the expiry of the Scheme Period.

4. ADMINISTRATION OF THE SHARE AWARD SCHEME

- 4.1 The Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Share Award Scheme and the Trust Deed. The decision of the Board and the Trustee regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties.
- 4.2 The Share Award Scheme is funded by the issuance of new Shares and transfer of Treasury Shares by the Company under the Scheme Mandate Limit.
- 4.3 The Company is allowed to use Treasury Shares for the Share Award Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association of the Company. If the Company has Treasury Shares available, the Company may use the Treasury Shares for the Share Award Scheme where appropriate.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- 4.4 The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company or any of its Subsidiaries as directed by the Board which shall constitute part of the Trust Fund, for the subscription of Awarded Shares and other purposes set out in the Share Award Scheme and the Trust Deed.
- 4.5 Subject to the requirements in the Share Award Scheme and all applicable laws, rules and regulations, the Board may from time to time instruct the Trustee in writing to subscribe for Awarded Shares from the Company at a subscription price representing the nominal value of the Shares. Once purchased or subscribed for, the Awarded Shares shall be held on trust by the Trustee for the Grantees until such Awarded Shares are vested with the relevant Grantees in accordance with the rules of the Share Award Scheme and the Trust Deed.

5. OFFER AND ACCEPTANCE

- 5.1 Subject to the rules of the Share Award Scheme and all applicable laws, rules and regulations, the Board may, from time to time at its absolute discretion, select any Eligible Participant (other than any Excluded Participant) to be a Grantee and grant to such Grantee Awarded Shares at the Purchase Price (where applicable).
- 5.2 An Offer shall be made to the Grantee by a Grant Letter in such form as the Board may from time to time determine requiring the Grantee to undertake to hold the Award on the terms on which it is to be granted and to be bound by the provisions of the Share Award Scheme.
- 5.3 The Offer shall remain open for acceptance by the Grantee concerned for a period of twenty-eight (28) days from the Grant Date provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period or after the Share Award Scheme has been terminated in accordance with the terms hereof or after the Grantee for whom the Offer is made has ceased to be an Eligible Participant.
- 5.4 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 whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. An Offer is deemed to be accepted when the Company receives from the Grantee the Grant Letter 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 an Award. Such remittance is not refundable in any circumstances.
- 5.5 The Board may in its absolute discretion grant the Awarded Shares at nil consideration, or at a Purchase Price by taking into consideration matters such as the performance and contribution of the Grantee, which shall be paid upon vesting of the Awarded Shares, or at such other time as determined by the Board in its absolute discretion.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

5.6 A Grantee shall ensure that the acceptance, vesting and the holding of any Awarded Shares under the Share Award Scheme and the exercise of all rights attaching thereto are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Board may, as a condition precedent of making an Award, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

5.7 An Offer may not be made after any inside information has come to the Company's attention until (and including) the trading day after such inside information has been published in accordance with the relevant provisions of the Listing Rules. In particular, during the period commencing 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 the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of 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 (or during any period of delay in publishing results announcements), no Award may be granted.

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

- (a) during the period of sixty (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 thirty (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,

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.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

5.9 Any grant of Award to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Award Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Award (if any)).

5.10 Where:

- (a) any grant of Award (excluding grant of options under other share schemes of the Company) to a Director (other than an independent non-executive Director) or chief executive or any of their respective associates would result in the Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Award Scheme) to such person in the 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); or
- (b) any grant of 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 allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all share options and awards granted under the Share Award Scheme and other share scheme(s) of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12 (twelve)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue on the date of such grant (excluding Treasury Shares),

such further grant of Award must be approved by the Shareholders in general meeting in the manner set out below. The Company must send a circular to the Shareholders containing all those terms as required under the Listing Rules. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting of the Shareholders. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Award must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- (i) details of the number and terms of the Award to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting.
 - (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
 - (iii) the information required under the Listing Rules and the Stock Exchange from time to time.
- 5.11 Any change in the terms of Award granted to a Grantee who is a Director, chief executive of the Company or substantial Shareholder, or any of their respective associates, must be approved by the Shareholders in the manner as set out above if the initial grant of the Award requires such approval (except where the changes take effect automatically under the existing terms of the Share Award Scheme). For the avoidance of doubt, the requirements for the grant of Award to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

6. MAXIMUM NUMBER OF SHARES

- 6.1 The total number of Shares which may be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all Awards to be granted under the Share Award Scheme and any options and awards to be granted under any other schemes of the Company shall not, in aggregate exceed 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date, i.e. 234,212,555 Shares (the "**Scheme Mandate Limit**"). Options or awards lapsed in accordance with the terms of the Share Award Scheme and (as the case may be) such other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. For the avoidance of doubt, any new Shares and/or Treasury Shares subscribed by or allotted to the Trustee for the purpose of satisfying any Award under the Share Award Scheme, whether or not such Shares have been granted to an Eligible Participant, shall be considered as issued utilizing the Scheme Mandate Limit.
- 6.2 The Company may seek approval by its Shareholders in general meeting to "refresh" the Scheme Mandate Limit after three (3) years from the date of Shareholders' approval for the last refreshment (or the adoption of this Share Award Scheme).

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- 6.3 Any “refreshment” of the Scheme Mandate Limit within any three (3)-year period must be approved by Shareholders subject to the following provisions:
- (i) any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under the Listing Rules.
- 6.4 The requirements set out in (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole share.
- 6.5 The Scheme Mandate Limit as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to its Shareholders containing the number of options and awards that were already granted under the existing Scheme Mandate Limit and the reason for the “refreshment”.
- 6.6 The Company may seek separate approval by its Shareholders in general meeting for granting awards under this Share Award Scheme or option or award under any other schemes of the Company (as the case may be) beyond the Scheme Mandate Limit, provided the options or awards in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified participant who may be granted such options or awards, the number and terms of the options or awards to be granted to each participant, and the purpose of granting options or awards to the specified participants with an explanation as to how the terms of the options or awards serve such purpose. The number and terms of options or awards to be granted to such participant must be fixed before Shareholders’ approval.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- 6.7 The total number of Shares allotted and issued or to be allotted and issued (involving issue of new Shares or transfer of Treasury Shares, as the case may be) in respect of all options and awards granted to an individual Grantee at any one time or in aggregate under the Share Award Scheme and all other share schemes (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such relevant grant should not exceed 1% of the Shares in issue (excluding Treasury Shares) for the time being (the “**Individual Limit**”).
- 6.8 Where any further grant of Award to an Eligible Participant would exceed the Individual Limit, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant in question, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting the Award to such Eligible Participant, explanation as to how the terms of the Award serve such purpose, and such other information required under the Listing Rules. The number and terms of the Award to be granted must be fixed before the Shareholders’ approval.

7. RIGHTS OF GRANTEE

- 7.1 A Grantee cannot vote or receive dividends and does not have any transfer or other rights of a shareholder in respect of the Awarded Shares, including those arising on a liquidation of the Company, until the Awarded Shares are vested with and transferred to the Grantee and he/she has been registered in the register of members of the Company in respect of the Awarded Shares.

8. RIGHTS OF THE TRUSTEE

- 8.1 The Trustee holding unvested Awarded Shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

9. VESTING OF AWARDED SHARES

- 9.1 Subject to the satisfaction of all vesting conditions applicable to the vesting of Awarded Shares to each Grantee, the Awarded Shares held by the Trustee on behalf of such Grantee pursuant to the provision hereof shall vest in such Grantee in accordance with the applicable vesting schedule as set out in the Grant Letter, and the Trustee shall cause the Awarded Shares to be transferred to such Grantee in accordance with the rules of the Share Award Scheme.
- 9.2 To the extent that, at the determination of the Board, it is not practicable for the Grantee to receive the Award in Shares due to legal or regulatory restrictions with respect to the Grantee's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Grantee, the Board will direct and procure the Trustee to sell, by on-market transactions at the prevailing market price, the number of Awarded Shares so vested in respect of the Grantee and pay the Grantee, within a reasonable period of time, the net amount of the Actual Selling Price of such Awarded Shares in cash arising from such sale less the Purchase Price based on the number of Awarded Shares.
- 9.3 Save for the circumstances prescribed below, an Award must be held for at least twelve (12) months before being vested on the Eligible Participant (the "**Vesting Period**").
- 9.4 The Vesting Period in respect of Eligible Participant may be less than twelve (12) months from the Grant Date in the following circumstances:
- (a) grants of "make-whole" Award(s) to new joiners to replace the share award(s) or option(s) they forfeited when leaving the previous employers;
 - (b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (c) grants that are made in batches during a year for administrative and compliance reasons, which include Award(s) 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 Award(s) would have been granted;

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- (d) grants of Award with a mixed or accelerated vesting schedule such as where the Award may vest evenly over a period of twelve (12) months;
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (f) grants of Award with a total vesting and holding period of more than twelve (12) months such as where the Award may vest by several batches with the first batch to vest within twelve (12) months of the Grant Date and the last batch to vest twelve (12) months after the Grant Date; or
- (g) where there is an occurrence of any of the events regarding general offer, winding up, reconstruction, compromise or arrangement.

10. LAPSE OF AWARDS

10.1 Any Award made to the Grantee(s) shall automatically lapse forthwith on the occurrence of any of the following:

- (a) the date of the commencement of the winding-up of the Company;
- (b) the date on which the Grantee commits a breach of the prohibition on assignment or transfer of Awards as referred to in paragraph 12.1 below;
- (c) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his employment on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 10.1(c) shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s); and
- (d) the date on which the Grantee ceases to be an Eligible Participant for any other reason.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

10.2 In the event of lapse of any Awards, the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. The relevant Grantee shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

11. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

11.1 Subject to the Listing Rules, the Board may at its absolute discretion when making the offer for the grant of an Award impose any conditions, restrictions or limitations in relation thereto including the Vesting Period and/or the achievement of any performance targets by the Company and/or the Grantee before the Award shall vest and/or any clawback mechanism for the Company to recover or withhold any remuneration (which may include Award granted to any Grantee) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Award Scheme.

11.2 If any performance targets are imposed in the relevant Grant Letter, the Board will have regard to the purpose of the Share Award Scheme in assessing such may assess such performance targets, with reference to factors including but not limited to, as and when appropriate, (i) key performance indicators specific to the Eligible Participant, which may vary based on the individual's department and position (e.g. overall sales performance for the sales department, efficiency and teamwork synergy for the operational department); (ii) the individual's operational efficiency, punctuality, integrity, honesty or compliance with internal business procedures; and (iii) key performance indicators in respect of the Group as a whole, which may include sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency), financial performance (e.g. profits, cash flow, earnings, market capitalisation, return on equity), corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), and such other goals as the Board may determine from time to time.

11.3 The achievement of his/her target would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- 11.4 Due to the business nature of the Group, it would not be practicable, or possible, to delineate a precise list of performance targets that would apply to all Eligible Participants. The parameters whereby each Eligible Participant is or may be measured will be determined on a case-by-case basis and will be highly dependent on their roles and duties within the Group. The targets may also vary year to year as the business of the Group is evolving and may be impacted by ever changing market conditions, and the Board should be afforded the flexibility to determine appropriate targets when the Awards are granted.
- 11.5 Other than the circumstances under which the Award(s) shall lapse automatically as set out in the Share Award Scheme, if any clawback mechanism is imposed, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the Grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

12. TRANSFERABILITY OF AWARDS

- 12.1 An 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 in favour of any other person over or in relation to any Award. If a Grantee does any of the foregoing, whether voluntarily or involuntarily, the Award will immediately and automatically lapse.

13. REORGANISATION OF CAPITAL STRUCTURE

- 13.1 In the event of an alteration in the capital structure of the Company by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision 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 Shares as consideration in a transaction to which the Company is a party), the Company will make corresponding adjustments (as necessary and in accordance with the Listing Rules and any guidance materials published by the Stock Exchange from time to time) to:

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

- (i) the number of Shares subject to the Scheme Mandate Limit (as refreshed from time to time); and/or
- (ii) the number of Awarded Shares pursuant to the outstanding Awards; and/or
- (iii) the Purchase Price (where applicable);

or any combination thereof, provided that:-

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding sub-paragraph (a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with Frequently Asked Questions FAQ13 – No.16 or such other guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be to the extent that a Share would be issued at less than its nominal value. Other than adjustments made on a capitalisation issue, the Company shall engage independent auditors or financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company under this paragraph satisfies the requirements set out in paragraphs (a) and (b) above and are in their opinion fair and reasonable.

14. RANKING OF SHARES

- 14.1 The Awarded Shares to be vested with and transferred to the Grantees shall be identical to all existing issued Shares and shall be subject to all the provisions of the Articles of Association of the Company for the time being in force, and such Shares shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of allotment and issue of the Awarded Shares and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are vested with and transferred to the Grantees other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are vested.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

15. ALTERATION TO THE SHARE AWARD SCHEME AND THE AWARDS

- 15.1 Any alterations to the terms and conditions of this Share Award 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 Eligible Participants must be approved by ordinary resolution of Shareholders in a general meeting.
- 15.2 Any change to the authority of the Board, the Trustee or the administrator of the Share Award Scheme to alter the terms of Share Award Scheme must be approved by ordinary resolution of Shareholders in a general meeting.
- 15.3 Any change to the terms of Award granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company if the initial grant of the Award was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Share Award Scheme.
- 15.4 The amended terms of the Share Award Scheme must comply with the relevant requirements of all laws, rules and regulations including but not limited to Chapter 17 of the Listing Rules and any guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time.

16. TERMINATION OF THE SHARE AWARD SCHEME

- 16.1 The Company by ordinary resolution in general meeting or the Board may at any time terminate the Share Award Scheme and in such event no further Award may be granted but in all other respects the provisions of the Share Award Scheme shall remain in full force and effect to give effect to the settlement of any Award granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Award Scheme. Awards that are granted during the life of the Share Award Scheme and remain outstanding immediately prior to the termination of the Share Award Scheme shall continue to be valid and eligible to vest in accordance with their terms of issue after the termination of the Share Award Scheme. Details of the Award(s) granted, including Award(s) outstanding, under the Share Award Scheme and (if applicable) Award(s) that become void or non-exercisable as a result of the termination must be disclosed in the circular to the Shareholders seeking approval of the first new share award scheme to be established after such termination.

APPENDIX III SUMMARY ON THE PRINCIPAL TERMS OF THE SHARE AWARD SCHEME

17. CANCELLATION

17.1 Any Awards granted may be cancelled if the Eligible Participant so agrees.

17.2 For the avoidance of doubt, where the Company cancels Award granted to an Eligible Participant and grants new Award (or option(s) or award(s) under any other share scheme of the Company) to the same Eligible Participant, such new grant may only be made with available Scheme Mandate Limit, and that the Award cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

NOTICE OF ANNUAL GENERAL MEETING



中國白銀集團
CHINA SILVER GROUP
CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of China Silver Group Limited (the “**Company**”) will be held at Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Wednesday, 18 June 2025 at 2:00 p.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditor (the “**Auditor**”) of the Company for the year ended 31 December 2024;
2.
 - (a) To re-elect Mr. Song Guosheng as an executive Director;
 - (b) To re-elect Ms. Song Fangxiu as an independent non-executive Director; and
 - (c) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Linksfield CPA Limited as the Auditor and to authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Shares**”) and/or to resell or transfer treasury Shares and to make or grant offers, agreements, options, awards and other rights which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, awards and other rights which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and/or sold or transferred or agreed conditionally or unconditionally to be allotted and/or sold or transferred (whether pursuant to an option or award or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as defined below); or
 - (ii) any issue of Shares under a share scheme of the Company or similar arrangement for the time being adopted for the grant or issue to option or award holders of Shares; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

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- (iv) any adjustment, after the date of grant or issue of any options, awards, rights to subscribe or other securities referred to above, in the price at which Shares shall be subscribed, and/or in the number of Shares which shall be subscribed, on exercise of relevant rights under such options, awards, rights to subscribe or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, awards, rights to subscribe or other securities; or
- (v) a specified authority granted by the shareholders of the Company (the “**Shareholders**”) in general meeting,

shall not exceed the aggregate of:

- (aa) 20% of the total number of issued Shares (excluding treasury Shares) of the Company as at the date of passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the Shareholders) the total number of Shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of issued Shares (excluding treasury Shares) of the Company as at the date of 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 by the articles of association of the Company or any other applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

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“**Rights Issue**” means an offer of Shares, or an offer of warrants, options, awards or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject in all cases 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 outside Hong Kong).”

B. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the 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/or the requirements of the Listing Rules or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued Shares (excluding treasury Shares) of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) above 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 by the articles of association of the Company or any other applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- C. “**THAT** conditional upon resolutions no. 4A and 4B above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and/or to resell or transfer treasury Shares and to make or grant offers, agreements, options, awards and other rights, or issue other securities which would or might require the exercise of such powers pursuant to resolution no. 4A above be and is hereby extended by the addition thereto of an amount representing the total number of Shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 4B above, provided that such amount shall not exceed 10% of the total number of issued Shares (excluding treasury Shares) of the Company as at the date of passing of the said resolution.”
- D. “**THAT:**
- (a) Subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, such number of Shares of the Company which may fall to be allotted and issued, and treasury Shares transferred or to be transferred, pursuant to the vesting of the awarded Shares under the Share Award Scheme of the Company (the rules of which are contained in the document marked “A” produced to this meeting and signed by the chairman of this meeting for the purpose of identification) (the “**Share Award Scheme**”), the Share Award Scheme be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Award Scheme including without limitation:
- (i) to administer the Share Award Scheme under which awarded Shares will be granted to Grantee(s) (as defined under the Share Award Scheme) under the Share Award Scheme;
- (ii) to modify and/or amend the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Award Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

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- (iii) to grant awards under the Share Award Scheme to allot, issue and deal with and to procure the transfer of and deal with from time to time such number of Shares (including Treasury Shares, as the case may be) as may be required to be allotted, issued and dealt with and be procured to be transferred of and dealt with pursuant to the vesting of the awarded Shares to be granted under the Share Award Scheme and subject to the Listing Rules;
 - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares that may hereafter from time to time be allotted and issued in respect of the awarded Shares to be granted under the Share Award Scheme and subject to the Listing Rules; and
 - (v) to consent, if deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Award Scheme and subject to the Listing Rules; and
- E. **“THAT** the Scheme Mandate Limit as defined in the circular of the Company dated 27 May 2025 (the total number of Shares which may be issued and Treasury Shares which may be transferred in respect of all awards to be granted under the Share Award Scheme and any options and awards to be granted under any other schemes of the Company, which shall not in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue, excluding treasury Shares, as at the date of adoption of the Share Award Scheme) be and is hereby approved and adopted and that any director of the Company be and is hereby authorised 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 he/she may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”

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Resolutions no. 4D and 4E as set out in this notice are inter-conditional upon each other. In the event that either resolution no. 4D or resolution no. 4E is not passed, both of resolutions no. 4D and 4E will not take effect.

By Order of the Board
China Silver Group Limited
Chen Wantian
Chairman

Hong Kong, 27 May 2025

Principal Place of Business in Hong Kong:

Unit 5, 17/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

Notes:

1. Every member entitled to attend and vote at the AGM (or at any adjournment thereof) is entitled to appoint another person as his proxy. Any member who holds two or more Shares may appoint more than one proxy. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed. A proxy need not be a member of the Company. The number of proxies appointed by a clearing house (or its nominee) is not subject to the aforesaid limitation.
2. Where there are joint holders of any Share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share will alone be entitled to vote in respect thereof.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy of that power or authority), must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 2:00 p.m. on Monday, 16 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude a member from attending the AGM and voting in person if he so wishes. In the event of a member who has lodged a form of proxy attending the AGM, the form of proxy will be deemed to have been revoked.

NOTICE OF ANNUAL GENERAL MEETING

4. The register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 12 June 2025 for registration of transfer.
5. All the resolutions set out in this notice shall be decided by poll.
6. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises Mr. Chen Wantian and Mr. Song Guosheng as executive Directors; and Mr. Song Hongbing, Ms. Song Fangxiu and Dr. Zeng Yilong as independent non-executive Directors.