THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Impro Precision Industries Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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IMPRO PRECISION INDUSTRIES LIMITED

鷹普精密工業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1286)

(1) PROPOSAL FOR TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting of Impro Precision Industries Limited to be held at No. 18, Furong Road 5, Xishan Economic Development Zone, Wuxi City, Jiangsu Province, the PRC on Tuesday, 30 December 2025 at 9:00 a.m. is set out on pages 27 to 29 of this circular.

A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.improprecision.com).

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of Impro Precision Industries Limited in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. no later than Sunday, 28 December 2025 at 9:00 a.m.) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof should you so wish.

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

9 December 2025

CONTENTS

page

DEFINITIONS 1

LETTER FROM THE BOARD 4

APPENDIX I — SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME 11

NOTICE OF EXTRAORDINARY GENERAL MEETING 27

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

"Adoption Date"	the date (which is expected to be the date of the EGM) on which the New Share Option Scheme will be adopted by the Shareholders
"Articles"	the articles of association of the Company as amended from time to time
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"business day(s)"	any day(s) (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
"clawback"	in respect of any Options granted to an eligible participant, the repayment of money in relation to all or a specified part of such Options, Option Shares allotted and issued upon exercises of such Options by such selected participant and/or the ceasing or variation of the selected participant's entitlement to receive or be vested with all or a specified part of any such options which have not yet been vested in the eligible participant
"Close Associates"	has the meaning ascribed thereto in the Listing Rules
"Company"	Impro Precision Industries Limited, an exempted company incorporated in the Cayman Islands with limited liability on 8 January 2008, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1286)
"Director(s)"	the director(s) of the Company
"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at No. 18, Furong Road 5, Xishan Economic Development Zone, Wuxi City, Jiangsu Province, the PRC on Tuesday, 30 December 2025 at 9:00 a.m.
"eligible participant(s)"	any employee participant(s) provided that the Board shall have absolute discretion to determine whether or not one falls within such category
"employee(s)"	in relation to a company, its full-time or part-time employee(s), or person(s) for the time being seconded to work full-time or part-time for such company

"employee participant(s)"	director(s) or employee(s) of the Company or any of its subsidiaries (including a person who is granted Options under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
"exercise price"	the price per Share at which a grantee may subscribe for a Share on the exercise of an Option pursuant to the New Share Option Scheme
"'Existing Share Option Scheme"	the share option scheme previously adopted by the Company on 15 June 2018
"grantee"	any eligible participant who accepts the offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (in the case of an eligible participant being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the relevant eligible participant
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	5 December 2025, being the latest practicable date before the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Share Option Scheme"	the share option scheme (a summary of the principal terms of which is set out in the Appendix I to this circular) in its present or any amended form
"Option(s)"	option(s) to subscribe for Share(s) granted pursuant to the New Share Option Scheme and for the time being subsisting
"Option Shares"	Shares to which any particular Option relates
"PRC" or "China"	The People's Republic of China, which for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan Region

"Scheme Mandate Limit"	the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme, and any other schemes of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of par value HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs
"Treasury Shares"	the Shares repurchased and held by the Company in treasury (if any), as authorised by the laws and regulations of Cayman Islands and the Memorandum and Articles of Association as in effect from time to time, which, for the purpose of the Listing Rules, include Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange, and has the meaning ascribed to it under the Listing Rules as amended, supplemented or otherwise modified from time to time
"vesting period"	in respect of an Option, the minimum period for which an Option must be held before it can be vested as the Board may in its absolute discretion determine
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	percent

IMPRO PRECISION INDUSTRIES LIMITED
鷹普精密工業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1286)

Executive Directors:
Mr. LU Ruibo *(Chairman and Chief Executive Officer)*
Mr. YU Yuepeng
Ms. ZHU Liwei
Mr. WANG Dong

Independent Non-Executive Directors:
Dr. YEN Gordon
Mr. LEE Siu Ming
Mrs. CHOW Lok Mei Ki Cindy

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

Principal Place of Business in Hong Kong:
Unit 803, Shui On Centre
6–8 Harbour Road
Wanchai, Hong Kong

Principal place of business in China:
No. 18, Furong Road 5
Xishan Economy
Development Zone
Wuxi City
Jiangsu Province, PRC

9 December 2025

Dear Sir/Madam,

(1) PROPOSAL FOR TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming EGM in relation to proposal for termination of the existing share option scheme and adoption of the new share option scheme. A notice of the EGM is set out on pages 27 to 29 of this circular.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR ATTENDING THE EXTRAORDINARY GENERAL MEETING

The register of members of the Company will be closed from Tuesday, 23 December 2025 to Tuesday, 30 December 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the EGM, all transfer instruments accompanied by the relevant share certificates must be lodged by holders of the Shares with the Company's branch share registrar in Hong Kong, namely, 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 Monday, 22 December 2025.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

Background

The Existing Share Option Scheme was adopted by the Company on 15 June 2018. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid for 10 years until 14 June 2028. No share options have been granted by the Company since the adoption of the Existing Share Option Scheme. In light of the amended Chapter 17 of the Listing Rules which took effect from 1 January 2023, it is proposed that the Existing Share Option Scheme be terminated and the New Share Option Scheme be adopted, subject to satisfaction of the conditions for the adoption of the New Share Option Scheme set forth in the following paragraph. As at the Latest Practicable Date, there were no outstanding share options under the Existing Share Option Scheme.

Chapter 17 of the Listing Rules has been amended to govern share option schemes and share award schemes with effect from 1 January 2023. To enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group and to comply with the new requirements of Chapter 17 of the Listing Rules, the Company proposed to adopt the New Share Option Scheme.

Adoption of the New Share Option Scheme

For the purpose of Chapter 17 of the Listing Rules, the New Share Option Scheme will constitute a share scheme involving the grant by the Company of options over new Shares. Accordingly, the adoption of the New Share Option Scheme will be subject to, among others, the Shareholders' approval at the EGM.

The New Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) the Shareholders' approval at the EGM; and (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued in accordance with the terms and conditions of the New Share Option Scheme and any other schemes of the Company.

Principal terms of the New Share Option Scheme

Purposes of the New Share Option Scheme

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the eligible participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group's businesses. The Directors (including the independent non-executive Directors) are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to the eligible participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole.

Eligible participants and eligibility

Eligible participants of the New Share Option Scheme include employee participants only.

The basis of determining the eligibility of each eligible participant shall be determined by the Board from time to time. For details of the eligibility of each category of eligible participants, please refer to Appendix I to this circular.

The Directors (including the independent non-executive Directors) are of the view that the achievement of the everlasting business objectives of the Group depends on the continual contribution from the employee participants. The inclusion of employee participants in the New Share Option Scheme is consistent with the purposes of the New Share Option Scheme, which enable the Group to preserve its cash resources and use share incentives to encourage best quality personnel to contribute to the Group and align the mutual interests of each party, as the Company on one hand and the employee participants on the other hand, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group.

Scheme Mandate Limit

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company, and shall not in aggregate exceed 188,728,566 Shares, representing 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date, assuming that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the EGM.

Pursuant to the New Share Option Scheme, references to Shares to satisfy the grant of Share Options shall include Treasury Shares (if any), and references to the issue of Shares shall include the transfer of Treasury Shares (as the case may be, and to the extent permissible by and subject to applicable laws and regulations, including the Companies Ordinance and Listing Rules). The Company may either issue new Shares or transfer Treasury Shares to the relevant grantee to satisfy the awards upon exercise of the Share Options granted under the New Share Option Scheme to the extent permitted by the Listing Rules, all applicable laws and regulations and the Articles of Association.

Exercise price of options

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular Option under the New Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

(i) the nominal value (if any) of a Share;

(ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and

(iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

The Directors are of the view that the exercise price of Options is appropriate given that it is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of Options that can provide sufficient incentive to the selected participants to achieve the purpose of the New Share Option Scheme.

Vesting period

The vesting of any Options under the New Share Option Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter or grant notice (as the case may be). Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the New Share Option Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the Options granted to employee participants may be less than 12 months under specific circumstances. For details of specific circumstances that the Options granted to employee participants could be less than 12 months, please refer to clause 7 of Appendix I to this circular.

The Directors (and the Remuneration Committee in respect of grants of Options to the Directors and/or senior management) are of the view that the vesting period for Options granted to employee participants may be less than 12 months under specific circumstances as set out in clause 7 of Appendix I to this circular is appropriate because such arrangement is in line with the requirements under the Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, which is in line with the purpose of the New Share Option Scheme.

Performance targets

The Board is entitled to impose any condition (including, without limitation, any performance target) as it deems appropriate with respect to the entitlement of the selected participant to the Option Shares, provided that such condition is communicated to such selected participant at the same time as he is notified of his Option. Performance target shall

normally be tested over a performance period of at least one financial year of the Company (or such other period as the Board may from time to time determine); may relate to the performance of the selected participant (who is a director or senior management of the Company), the Company, one or more of its subsidiaries, the business or functional unit or department for which such selected participant works or the strategic or business initiatives or projects for which such selected participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the above; may be relative to the performance of one or more comparators, benchmarks, indices or other measures. The Board will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board determines that any prescribed performance targets have not been met, the unvested Option Shares shall lapse automatically.

The Directors (and the Remuneration Committee in respect of grants of Options to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the New Share Option Scheme, as each selected participant will play different roles and contribute in different ways to the Group. The Board or the Remuneration Committee shall have regard to the purpose of the New Share Option Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected participant(s).

Clawback

Where there has been a material misstatement or omission in the financial report of the Group or if the relevant selected participant has engaged in serious negligence, fraud or misconduct, any Options may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time.

The Directors (and the Remuneration Committee in respect of grants of Options to the Directors and/or senior management) are of the view that the clawback mechanism in each of the New Share Option Scheme provides a choice for the Company to clawback the equity incentives granted to selected participants culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

Terms of the New Share Option Scheme

A summary of the principal terms of each of the New Share Option Scheme is set out in Appendix I to this circular respectively. These summaries do not constitute the full terms of the same. A copy of the rules of each of the New Share Option Scheme has been published and will remain on the Company's website at (www.improprecision.com) and Hong Kong Exchanges and Clearing Limited's HKEXnews website at (www.hkexnews.hk) for display for a period of not less than 14 days before the date of the EGM and such rules will be made available for inspection at the EGM.

Application for listing

Application will be made by the Company to the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date) which may be issued in respect of all options to be granted under the New Share Option Scheme and any other share scheme(s) of the Company.

Assuming that the New Share Option Scheme are adopted, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, the total number of Shares which may be issued in respect of all options to be granted under the New Share Option Scheme and any other share scheme(s) of the Company is 188,728,566, representing 10% of the total number of issued Shares (excluding Treasury Shares) as at the Adoption Date.

OTHER INFORMATION

To the extent that the Directors are aware having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the adoption of the New Share Option Scheme. As such, none of the Shareholders are required to abstain from voting on the resolutions in relation to the adoption of the New Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The EGM will be held at No. 18, Furong Road 5, Xishan Economic Development Zone, Wuxi City, Jiangsu Province, the PRC on Tuesday, 30 December 2025 at 9:00 a.m., at which, inter alia, the resolutions will be proposed to the Shareholders to consider the proposed termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme. The notice of EGM is set out on pages 27 to 29 of this circular.

VOTING PROCEDURES

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

PROXY

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.improprecision.com). Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch 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 (i.e. no later than Sunday, 28 December 2025 at 9:00 a.m.) before the time appointed for holding the EGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the EGM or any adjourned meeting should you so desire.

RECOMMENDATION

The Board believes that the resolutions set out in the notice of EGM including the proposed termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of the resolutions as set out in the notice of the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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.

Your attention is drawn to additional information as set out in the Appendices.

MISCELLANEOUS

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

Yours faithfully,
By Order of the Board
Impro Precision Industries Limited
LU Ruibo
Chairman and Chief Executive Officer

The following is a summary of the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the EGM.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purposes of the New Share Option Scheme are to enable the Company to grant Options to the eligible participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group's businesses.

2. PARTICIPANTS AND ELIGIBILITY

Eligible participants of the New Share Option Scheme include employee participants only. The basis of determining the eligibility of each eligible participant shall be determined by the Board absolutely. With respect to employee participants, the assessing factors shall include, but not limited to, individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group.

3. SCHEME MANDATE LIMIT

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company, and shall not in aggregate exceed 10% of the Shares in issue (excluding Treasury Shares) as at the Adoption Date.

Options lapsed in accordance with the rules of the New Share Option Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

The Company may seek approval by its shareholders in general meeting for refreshing the Scheme Mandate Limit after three years from (i) the Adoption Date; or (ii) the date of the shareholders' approval for the last refreshment (as the case may be).

Only insofar as and for so long as the Listing Rules require, any refreshment within any three-year period shall be approved by the shareholders of the Company, subject to the following provisions:

(a) the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) shall be abstaining from voting in favor of the relevant resolution at the general meeting; and

(b) the Company shall comply with the applicable requirements under the Listing Rules.

The total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Option Scheme and any other schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the Shareholders' approval for the refreshment. The Company shall send to its shareholders a circular containing the details and information required under the Listing Rules, including the number of options that were already granted under the existing Scheme Mandate Limit, and the reasons for the refreshment.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Where any grant of Options to an eligible participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant shall be separately approved by the shareholders of the Company in general meeting with such eligible participant and his Close Associates (or associates if such eligible participant is a connected person) abstaining from voting. The Company shall send a circular to its shareholders containing the details and information required under the rules of the New Share Option Scheme and the Listing Rules.

5. GRANTS OF OPTIONS TO DIRECTORS, SENIOR MANAGEMENT OR CHIEF EXECUTIVE, AND SUBSTANTIAL SHAREHOLDERS

Subject to the Scheme Mandate Limit, but only insofar as and for so long as the Listing Rules require:

(a) any grant of Options to a Director, chief executive or a substantial shareholder of the Company, or any of their respective associates, shall be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee of an Option);

(b) where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under the New Share Option Scheme and any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of Shares of the Company in issue, such further grant of Options shall be approved by shareholders of the Company in general meeting in the manner as set out in sub-paragraph (c) below;

(c) in the circumstances described in sub-paragraph (b) above, the Company shall send a circular to its shareholders. The grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting.

The Company shall comply with the relevant requirements under the Listing Rules. The circular shall contain details and information as required under the Listing Rules;

(d) any change in the terms of Options granted to an eligible participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be approved by shareholders of the Company in the manner as set out in sub-paragraph (c) above if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme); and

(e) the requirements for the grant to a Director or chief executive of the Company as set out in this paragraph do not apply where the eligible participant is only a proposed director or chief executive of the Company.

6. EXERCISE PERIOD

In respect of an option, the period within which an option may be exercised by the grantee as the Board may in its absolute discretion determine and which shall not be more than 10 years from the grant date of the option.

An Option shall be exercised in whole or in part (but if in part only, in respect of a Board Lot or any integral multiple thereof) within the exercise period in the manner as set out in rules of the New Share Option Scheme by the grantee (or any other person so permitted pursuant to the New Share Option Scheme) by giving notice in writing to the Company in the manner to the satisfaction to the Company and stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the auditors' certificate pursuant to rules of the New Share Option Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or any other person so permitted pursuant to the New Share Option Scheme) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or any other person so permitted pursuant to the New Share Option Scheme) share certificate(s) in respect of the Shares so allotted.

7. VESTING PERIOD

The vesting and exercise of any Option may be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter.

Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the New Share Option Scheme shall not be less than 12 months, except that the Options granted to employee participants may be less than 12 months under the following specific circumstances:

(a) grants of "make-whole" Options to new joiners to replace the share options they forfeited when leaving the previous employers;

(b) grants of Options to an employee participant whose employment is terminated due to death or disability or uncontrollable event. In those circumstances, the vesting of an Option may accelerate;

(c) grants of Options with performance-based vesting conditions provided in these rules of the New Share Option Scheme in lieu of time-based vesting criteria;

(d) grants of Options made in batches during a year for administrative and compliance reasons (may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Option would have been granted);

(e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; or

(f) grants of Options with a total vesting and holding period of more than 12 months.

The Board considers that such circumstances allow flexibility for the Company to (i) provide competitive terms to attract and induce valuable talent to join the Group; (ii) address instances where the 12-month vesting period requirement would not be practicable or fair due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; and (iv) motivate individuals based on performance metrics rather than time-based vesting criteria. Therefore, the Board is of the view that the vesting period requirements (including the circumstances in which a shorter vesting period may apply) are appropriate and align with the purpose of the New Share Option Scheme.

8. PERFORMANCE TARGETS

Subject to the provisions of the Listing Rules and the New Share Option Scheme, the Board is entitled to impose any condition (including, without limitation, any performance target) as it deems appropriate with respect to the entitlement of the eligible participant to the Option Shares provided that such condition is communicated to such eligible participant at the same time as he is notified of his Option pursuant to terms of the New Share Option Scheme. Performance target shall normally be tested over a performance period of at least one financial year of the Company (or such other period as the Board may from time to time determine); may relate to the performance of the eligible participant (who is a director or senior management of the Company), the Company, one or more of its subsidiaries, the business or functional unit or department for which such eligible participant works or the strategic or

business initiatives or projects for which such eligible participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the foregoing.

The performance targets may include both financial and non-financial indicators. Financial indicators generally comprise the Group's sales revenue and EBITDA for the current and following financial years or across the specified performance period. Non-financial indicators may include, without limitation, quality loss rate, major management or safety incidents, and ESG-related performance. Such performance targets may be set on an absolute level, or on a relative basis against one or more comparators, benchmarks, indices or other measures. The Board has absolute discretion to determine the appropriate criteria, benchmark periods, assessment methods, and weighting for any such performance targets, and to adjust or waive them as it considers appropriate in light of the Group's overall strategic objectives. The Board's determination shall, in the absence of manifest error, be final, conclusive and binding.

9. AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION AND PAYMENT PERIOD

An offer of the grant of an Option shall remain open for acceptance by the eligible participant concerned for a period of 28 days from the grant date provided that no such grant of an Option may be accepted after the expiry of the effective period of the New Share Option Scheme or after the New Share Option Scheme has been terminated. An Option shall be deemed to have been granted and accepted by the eligible participant and to have taken effect when the duplicate grant letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of the Company of HKD1.00 by way of consideration for the grant thereof is received by the Company on or before the acceptance date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option 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 board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate grant letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the acceptance date, it will be deemed to have been irrevocably declined.

10. EXERCISE PRICE

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular Option under the New Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

(a) the nominal value (if any) of a Share;

(b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date; and

(c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the grant date.

11. CERTAIN RIGHTS ATTACHING TO THE SHARES AND THE OPTIONS

No grantee shall enjoy any rights of a shareholder by virtue of the grant of an Option pursuant to the New Share Option Scheme, unless and until Shares are actually issued to the grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company. A Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person so permitted pursuant to the New Share Option Scheme) as the holder thereof.

12. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to the fulfilment of the conditions and the termination provisions pursuant to the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Upon the expiry of the New Share Option Scheme as aforesaid, no further Options will be offered but the provisions of the New Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme.

13. LAPSE OF OPTIONS

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

(1) the expiry of the exercise period;

(2) the expiry of any of the period referred to in this paragraph 13;

(3) the date of the commencement of the winding-up of the Company;

(4) there is an unsatisfied judgement, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his debts;

(5) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the rules of the New Share Option Scheme; or

(6) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may lapse or be exercised by the grantee at any time during the exercise period, provided that only Options which have vested in accordance with the terms of grant may be exercised, unless the Board determines otherwise and subject to the minimum 12-month vesting requirement as required under Rule 17.03F of the Listing Rules, provided that:

(a) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under sub-paragraph (e) below exists with respect to such grantee, he (or his personal representative(s)) may exercise all vested Options;

(b) in the event that the grantee ceases to be an employee participant by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time, and none of the events for termination of employment or engagement under sub-paragraph (e) below exists with respect to such grantee, his Option (to the extent vested but not yet exercised) shall be exercisable up to the grantee's entitlement immediately prior to his retirement until the expiry of the relevant exercise period subject to Rule 17.03F of the Listing Rules;

(c) in the event that the grantee ceases to be an employee participant for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to another member of the Group (as the case may be) or the termination of his employment with the relevant member of the Group by resignation or culpable termination, the Option (to the extent vested but not yet exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(d) in the event that the grantee ceases to be an employee participant by reason of the termination of his employment by resignation or culpable termination, the Option (to the extent vested but not yet exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the grantee is notified of the termination of his employment (in the case of culpable termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph (e) shall be final and conclusive;

(e) if a grantee being:

(i) an executive Director of the Company ceases to be an executive director or senior management of the Group but remains a non-executive Director, his Option (to the extent vested but not yet exercised) shall be exercisable until the

expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

(ii) a non-executive Director or an independent non-executive Director ceases to be a Director:

(1) by reason of Non-Executive Director retirement, his Option (to the extent vested but not yet exercised) shall be exercisable up to the grantee's entitlement immediately prior to his retirement until the expiry of the relevant exercise period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

(2) for reasons other than Non-Executive Director retirement, his Option (to the extent vested but not yet exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(f) if:

(i) the Board in its absolute discretion at any time determines that a grantee has ceased to be an eligible participant;

(ii) a grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent vested but not yet exercised) shall lapse on the date on which the grantee is notified thereof (in the case of (i)) or on the date on which the grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the unvested grantee's entitlement immediately prior to the determination of the Board (in the case of (i)) or the failure of the Grantee to satisfy or comply with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Board may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph (g) shall be final and conclusive subject to Rule 17.03F of the Listing Rules;

(g) if a grantee (being a corporation):

(i) has a liquidator or receiver appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the grantee; or

(ii) has suspended, ceased or threatened to suspend or cease business; or

(iii) is unable to pay its debts; or

(iv) otherwise becomes insolvent; or

(v) suffers a change in its constitution, management, directors or shareholding which in the opinion of the Board is material; or

(vi) commits a breach of any contract entered into between the grantee or his associate and any member of the Group,

the Option (to the extent vested but not yet exercised) shall lapse on the date of appointment of the liquidator or receiver or on the date of suspension or cessation of business or threatened suspension or cessation of business or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid or otherwise becomes insolvent or on the date of notification by the Company that the said change in constitution, management, directors or shareholding is material or on the date of notification by the Company of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (vi) of this sub-paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's Option has lapsed pursuant to this sub-paragraph shall be final and conclusive;

(h) if a grantee (being an individual):

(i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law or has otherwise become insolvent; or

(ii) has made any arrangement or composition with his creditors generally; or

(iii) has been convicted of any criminal offence involving his integrity or honesty; or

(iv) commits a breach of any contract entered into between the grantee or his associate and any member of the Group,

the Option (to the extent vested but not yet exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of this sub-paragraph within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the Grantee's Option has lapsed pursuant to this sub-paragraph shall be final and conclusive;

(i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent vested but not yet exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company subject to Rule 17.03F of the Listing Rules;

(j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his personal representatives or receiver) may until the expiry of the earlier of:

(i) the exercise period;

(ii) the period of two months from the date of such notice; or

(iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.

Except insofar as exercised in accordance with this sub-paragraph (k), all Options outstanding at the expiry of the relevant period referred to in this sub-paragraph (k) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement subject to Rule 17.03F of the Listing Rules; and

(k) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company in the manner to the satisfaction to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee (or any other person so permitted pursuant to the New Share Option Scheme) credited as fully paid subject to Rule 17.03F of the Listing Rules.

14. ADJUSTMENT IN ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

(a) the maximum number of Shares subject to the New Share Option Scheme; and/or

(b) the aggregate number of Shares subject to the Option so far as unexercised; and/or

(c) the exercise price of each outstanding Option,

provided that the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares (excluding Treasury Shares) immediately before and after such alteration to the capital structure of the Company shall be the same, rounded to the nearest whole share.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules, provided that:

(a) any such adjustments shall give an eligible participant the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which the eligible participant was previously entitled, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any).

In respect of any such adjustments, other than any made on a capitalisation issue, the auditors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this sub-paragraph (a);

(b) any such adjustments shall be made on the basis that the aggregate exercise price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;

(c) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and

(d) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the auditors in this paragraph is that of experts and not arbitrators and their certification shall be final and binding on the Company and the grantees in the absence of manifest error. The costs of the auditors shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to in this paragraph, the Company shall, upon receipt of a notice from the grantee, inform the grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the grantee of such fact and instruct the auditors to issue a certificate in that regard in accordance with this paragraph.

15. CANCELLATION OF OPTIONS

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice:

(a) the grantee commits or permits or attempts to commit or permit a breach of restriction of transferability or any terms or conditions attached to the grant of the Option;

(b) the grantee makes a written request to the Board for the Option to be cancelled; or

(c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.

The Option shall be deemed to have been cancelled with effect from the cancellation date in respect of any part of the Option which has not been exercised as at the cancellation date. No compensation shall be payable upon any such cancellation, provided that the Board shall be

entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case. Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

Where the Company cancels Options granted to an eligible participant, and makes a new grant to the same eligible participant, such new grant may only be made under the New Share Option Scheme with available Scheme Mandate Limit approved by the shareholders of the Company.

16. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the Allotment Date (as defined under the rules of the New Share Option Scheme) or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Allotment Date.

17. TERMINATION

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme. Upon termination of the New Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the New Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable until expiry of the relevant exercise period, subject to and in accordance with the New Share Option Scheme.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except for a transfer to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee for estate planning or tax planning as permitted by the Stock Exchange or under the Listing Rules). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

19. ALTERATION TO NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by a resolution of the Board. The following shall not be carried out except with the prior approval of the shareholders of the Company in general meeting by ordinary resolution:

(a) any alterations to the terms and conditions of the New Share Option Scheme which are material in nature or any alterations to the provisions of the New Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the eligible participants;

(b) any change to the authority of the Board to alter the terms of the New Share Option Scheme; and

(c) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the New Share Option Scheme or the Options shall comply with the applicable requirements of Chapter 17 of the Listing Rules.

Any change to the terms of Options granted to an eligible participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive directors and/or the shareholder of the Company (as the case may be), except where the changes take effect automatically under the existing terms of the New Share Option Scheme.

20. CLAWBACK MECHANISM

In certain circumstances, it may be regarded as inequitable for any Options to be vested or retained (as the case may be). Such Options are therefore subject to clawback, including but not limited to where there has been a material misstatement or omission in the financial report of the Group or if the relevant grantee has engaged in serious negligence, fraud or misconduct. Notwithstanding any other terms of the New Share Option Scheme, any Options may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time. Options granted to Directors and senior management of the Company without clawback shall be subject to any other requirements under the Listing Rules.

21. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

(a) the shareholders' approval by the Shareholders for the adoption of the New Share Option Scheme at the Extraordinary General Meeting; and

(b) the approval of the Stock Exchange for the listing of and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

If the permission referred to in the sub-paragraph (b) above is not granted within two calendar months after the Adoption Date:

(a) the New Share Option Scheme will forthwith terminate;

(b) any Option granted or agreed to be granted pursuant to the New Share Option Scheme and any offer of such a grant shall be of no effect;

(c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any Option; and

(d) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by the Company.

22. DEALING RESTRICTIONS

The Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Board shall not grant any Options during the period commencing one month immediately preceding the earlier of:

(a) the date of the Board meeting (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 announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements.

No Options shall be granted during any period of delay in publishing a results announcement or during any period specified in the Listing Rules as being a period during which no Option may be granted.

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any of the securities of the Company (and no Options may be granted to a Director) at any time when he possesses inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

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

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

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

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C of the Model Code. In any event, the director must comply with the procedure in rules B.8 and B.9 of the Model Code.

IMPRO PRECISION INDUSTRIES LIMITED

鷹普精密工業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1286)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of the shareholders of Impro Precision Industries Limited (the "**Company**") will be held at No. 18, Furong Road 5, Xishan Economic Development Zone, Wuxi City, Jiangsu Province, the PRC on Tuesday, 30 December 2025 at 9:00 a.m. (the "**Extraordinary General Meeting**") to consider and, if thought fit, to pass the following resolutions as ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

"**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the ordinary share(s) par value HK$0.1 each in the issued share capital of the Company (the "**Shares**") falling to be issued pursuant to the exercise of any options granted under the New Share Option Scheme of the Company (the "**New Share Option Scheme**"), the terms of which are set out in the document marked "**A**" produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the New Share Option Scheme be approved and adopted with the Scheme Mandate Limit (as defined in the New Share Option Scheme) of 10 per cent. of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the passing of this resolution and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, and that the Directors be authorised:

(a) to grant options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme;

(b) to alter and/or modify the New Share Option Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the New Share Option Scheme relating to the alternation and/or modification and subject to Chapter 17 of the Listing Rules;

(c) to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the exercise of options granted under the New Share Option Scheme and subject to the Listing Rules;

(d) to take all such steps as may be necessary or desirable to implement such New Share Option Scheme; and

(e) subject to and conditional upon the passing of resolution above and the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 15 June 2018 (the "**Existing Share Option Scheme**") be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date hereof (if any))."

By Order of the Board
Impro Precision Industries Limited
LU Ruibo
Chairman and Chief Executive Officer

Hong Kong, 9 December 2025

As at the date of this notice, the Board comprises four executive Directors, namely Mr. LU Ruibo, Mr. YU Yuepeng, Ms. ZHU Liwei and Mr. WANG Dong, and three independent non-executive Directors, namely Dr. YEN Gordon, Mr. LEE Siu Ming and Mrs. CHOW Lok Mei Ki Cindy.

Notes:

1. A form of proxy for the EGM of the Company to be held on Tuesday, 30 December 2025 is enclosed.

2. Any member entitled to attend and vote at the EGM of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM of the Company. A proxy need not be a member of the Company.

3. In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power or authority) must be deposited to the Company's branch 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 holding the EGM of the Company (i.e. not later than Sunday, 28 December 2025 at 9:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM of the Company or any adjournment thereof should you so wish.

4. In case of joint holders of any Share, any one of such joint holders may vote at the EGM of the Company, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.

5. The register of members of the Company will be closed from Tuesday, 23 December 2025 to Tuesday, 30 December 2025 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attending and voting at the forthcoming EGM. In order to be entitled to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office 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 Monday, 22 December 2025.

6. In relation to proposed Resolution above, summary of the principal terms of the New Share Option Scheme are set out in the Appendix I to the circular of which this notice of the extraordinary general meeting forms part.

7. As of the date of this notice, the executive Directors are Mr. LU Ruibo (Chairman and Chief Executive Officer), Mr. YU Yuepeng, Ms. ZHU Liwei and Mr. WANG Dong; and the independent non-executive Directors are Dr. YEN Gordon, Mr. LEE Siu Ming and Mrs. CHOW Lok Mei Ki Cindy.