THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice or 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 Cosmo Lady (China) Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy and, if applicable, the annual report to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Cosmo Lady (China) Holdings Company Limited
都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND TO BUY BACK SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME
(4) PROPOSED RE-APPOINTMENT OF AUDITOR
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Cosmo Lady (China) Holdings Company Limited to be held at Building N1, Fenggang Tianan Digital City, Fenggang Town, Dongguan City, Guangdong, the PRC on Friday, 29 May 2026 at 11 a.m. is set out on pages 28 to 33 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the share registrar of the Company 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 before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish. For the avoidance of doubt, holders of Treasury Shares, if any, shall abstain from voting at the Company's general meeting.

8 May 2026

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

"2023 AGM"	the annual general meeting of the Company held on 2 June 2023 at which the resolutions for, among other things, the adoption of the Share Option Scheme, the amended Share Award Scheme and the Service Provider Sublimit were passed by the Shareholders;
"2023 SAS Circular"	the circular of the Company dated 28 April 2023 in relation to, among other things, the adoption of the Share Option Scheme and the amended Share Award Scheme;
"Adoption Date"	2 June 2023, the adoption date of the Share Option Scheme and the amended Share Award Scheme;
"Amended Share Award Scheme"	the amended share award scheme of the Company which has incorporated all of the Proposed Amendments, proposed to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM;
"Amended Share Option Scheme"	the amended share option scheme of the Company which has incorporated all of the Proposed Amendments, proposed to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM;
"Amendment Date"	being the date on which the Share Option Scheme and the Share Award Scheme are amended by the Company upon the approval by the Shareholders of the Proposed Amendments to the Share Option Scheme and the Share Award Scheme and the Service Provider Sublimit;
"Award(s)"	an award of Share(s) by the Board made under the Share Award Scheme or the Amended Share Award Scheme (as the case may be);
"Annual General Meeting" or "AGM"	The annual general meeting of the Company to be held at Building N1, Fenggang Tianan Digital City, Fenggang Town, Dongguan City, Guangdong, the PRC on Friday, 29 May 2026 at 11 a.m., notice of which is set out on pages 28 to 33 of this circular, and any adjournment thereof;
"Board"	the board of Director(s);

"Business Day"	means a day on which the Stock Exchange is open for the business of dealing in securities;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"Close associates"	has the meaning ascribed to it under the Listing Rules;
"Company"	Cosmo Lady (China) Holdings Company Limited, a 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;
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries from time to time;
"Harmonious Composition"	Harmonious Composition Investment Holdings Limited, a company incorporated on 23 January 2014 under the laws of the British Virgin Islands;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Latest Practicable Date"	30 April 2026, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication;
"Listing Approval"	the Listing Committee's approval of the listing of, and the permission to deal in, any Shares on the Stock Exchange which may be issued by the Company pursuant to the exercise of any options and/or any awards of new Shares under the Amended Share Option Scheme and/or the Amended Share Award Scheme (as the case may be);

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
"Memorandum and Articles of Association"	the amended and restated Memorandum and Articles of Association of the Company currently in force and effect;
"Nomination Committee"	the nomination committee of the Board;
"Proposed Amendments"	the proposed amendments to the Share Option Scheme and the Share Award Scheme as set out in Appendices IIIA and IIIB to this circular, respectively;
"Proposed Buy-back Mandate"	a general and unconditional mandate proposed to be granted to the Director(s) to exercise all powers of the Company to buy back the Share(s) not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution at the Annual General Meeting;
"Proposed General Mandate"	a general and unconditional mandate proposed to be granted to the Director(s) to exercise all powers of the Company to allot, issue or otherwise deal with new Share(s) (including a sale or transfer of Treasury Shares out of treasury, if any) for up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company (excluding Treasury Shares, if any) as at the date of passing of the relevant resolution at the Annual General Meeting;
"RMB"	Renminbi, the lawful currency of the People's Republic of China;
"Scheme Mandate Limit"	the maximum number of Shares which may be the limit on grants of share awards and/or Share Options over new Shares under all share schemes of the Company, which must not exceed 10% of all the issued Shares as at the date of the Shareholders' approval of the limit under the Listing Rules;

"Service Provider(s)"	person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
"Service Provider Sublimit"	the Amended Share Option Scheme and the Amended Share Award Scheme sublimit set for service providers under the Amended Share Option Scheme and the Amended Share Award Scheme;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
"Share(s)"	share(s) of US$0.01 each in the capital of the Company;
"Share Award Scheme"	the existing share award scheme of the Company adopted by the Company on 28 June 2019 and amended upon passing of a shareholders' resolution on 2 June 2023;
"Share Option(s)"	option(s) to subscribe for Share(s) granted by the Board under the Share Option Scheme or the Amended Share Option Scheme (as the case may be);
"Share Option Scheme"	the existing share option scheme of the Company adopted by the Company on 2 June 2023;
"Shareholder(s)"	the holder(s) of Share(s) in issue;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Substantial Shareholder"	any substantial shareholder of the Company; and "substantial shareholder" shall have the meaning ascribed to it under the Listing Rules;

"Takeovers Code"	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time;
"Treasury Shares"	has the meaning ascribed to it under the Listing Rules which came into effect on 11 June 2024 and as amended from time to time;
"Yao Li"	Yao Li Investment Holdings Limited, a company incorporated on 19 November 2018 under the laws of the British Virgin Islands. It is wholly owned by TMF (Cayman) Limited in its capacity as the trustee, for the benefit of, among others, Mr. Zheng Yaonan;
"US$"	United States dollars, the lawful currency of the United States of America; and
"%"	per cent.

Cosmo Lady (China) Holdings Company Limited
都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

Executive Directors:
Mr. Zheng Yaonan
(Chairman and Chief Executive Officer)
Mr. Zhang Shengfeng
(Deputy Chairman and Vice President)
Ms. Wu Xiaoli *(Vice President)*
Mr. Xian Shunxiang *(Vice President)*
Mr. Zhu Hongbo *(Vice President)*

Non-executive Directors:
Mr. Lin Zonghong

Independent Non-executive Directors:
Mr. Yau Chi Ming
Dr. Dai Yiyi
Dr. Lu Hong Te

Registered Office:
Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong:
Unit 909, 9/F.
China Merchants Tower
Shun Tak Centre
Nos. 168–200 Connaught Road
Central
Hong Kong

8 May 2026

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND TO BUY BACK SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
(3) PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME
(4) PROPOSED RE-APPOINTMENT OF AUDITOR
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purposes of this circular are to give you the notice of the Annual General Meeting, and to provide information on certain matters to be dealt with at the Annual General Meeting, which include among other things, (i) the granting of general mandates to issue and to buy back Shares; (ii) the re-election of retiring Directors; (iii) the proposed amendments to the Share Option Scheme and the Share Award Scheme; and (iv) the re-appointment of auditor of the Company.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Proposed General Mandate to the Directors to exercise all powers of the Company to allot, issue and deal with new Shares (including a sale or transfer of Treasury Shares out of treasury, if any) up to 20% of the total number of issued shares of the Company (excluding Treasury Shares, if any) as at the date of passing of the resolution in relation to such general mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 2,249,457,213 Shares. On the basis that no further Shares are issued or bought back before the Annual General Meeting, the maximum number of Shares that can be allotted and issued (or sold or transferred out of treasury) by the Company under the Proposed General Mandate is 449,891,442 Shares.

GENERAL MANDATE TO BUY BACK SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to approve the grant of the Proposed Buy-back Mandate to the Directors to exercise the powers of the Company to buy back Shares representing up to 10% of the total number of issued shares of the Company (excluding Treasury Shares, if any) as at the date of passing of the resolution in relation to such general mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 2,249,457,213 Shares. On the basis that no further Shares are issued or bought back before the Annual General Meeting, the Company will be allowed to buy back a maximum of 224,945,721 Shares which are fully paid-up.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Buy-back Mandate is set out in Appendix I to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME

Background

The Company adopted the Share Option Scheme and amended the Share Award Scheme on 2 June 2023 upon the approval by the Shareholders at the 2023 AGM. As disclosed in the 2023 SAS Circular, the Service Providers eligible for the grant of Share Options and Awards under the Share Option Scheme and the Share Award Scheme, respectively, include independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business akin to those of employees. As disclosed in the announcement of the Company dated 27 January 2025 in relation to the grant of Share Options, the Group has been engaging service providers who work for the Group as independent contractors to distribute the Group's intimate wear products through both online and offline channels, including primarily on e-commerce platforms and, to a lesser extent, through offline distribution networks, so as to expand the Group's business, where the continuity and frequency of their services are akin to those of employees. Such service providers provide distribution channels and related marketing and promotion services which are beneficial to the Group's intimate wear business. In light of the Group's growing reliance on such service providers and the need to continue to incentivise them to provide their valuable contributions to promoting business opportunities of the Group's intimate wear business, enhancing the growth and development of the Group and strengthening their long-term service commitment to the Group, the Board considers it necessary and in the interests of the Company and the Shareholders as a whole to increase the existing Service Provider Sublimit under the Share Option Scheme and the Share Award Scheme, so as to provide the Company with sufficient flexibility to grant Share Options and Awards to eligible service providers, including those providing services through both online and offline channels, in the future.

Reasons for the Proposed Amendments

In determining the increase in the Service Provider Sublimit, the Board has considered the following factors:

(i) ***Significant growth in e-commerce GMV driven by service providers:*** as disclosed in the annual results announcement of the Company dated 27 March 2026 (the "**2025 Annual Results Announcement**"), the Group's total e-commerce gross merchandise value ("**GMV**") experienced significant growth from approximately RMB1.6 billion in 2024 to over RMB4.3 billion in 2025. This substantial growth demonstrates the critical and expanding role of service providers in driving the Group's e-commerce business and overall revenue;

(ii) ***Substantial service income contribution from e-commerce cooperation:*** the GMV transacted on the relevant partnering e-commerce platforms that the Group established cooperation with during the year ended 31 December 2025 amounted to approximately RMB4.2 billion (2024: RMB1.2 billion), representing a more than three-fold increase year-on-year. The Group received service income of approximately RMB103.9 million during the same period (2024: RMB59.4 million), representing an increase of approximately 75%, which contributed to the continued improvement in performance of the intimate wear products segment;

(iii) ***Improvement in intimate wear products segment results:*** the segment results of the intimate wear products segment increased by approximately 55% to RMB137,746,000 for the year ended 31 December 2025 as compared with RMB88,961,000 for the corresponding period in 2024, which was mainly attributable to the Group's successful cooperation with its e-commerce service providers. In addition, the service income received by the Group from its e-commerce service providers increased from approximately RMB59.4 million for the year ended 31 December 2024 to approximately RMB103.9 million for the year ended 31 December 2025, further evidencing the growing financial contribution of such service providers to the Group;

(iv) ***E-commerce as a key strategic growth driver:*** as disclosed in the 2025 Annual Results Announcement, the Group has been deepening its collaboration with e-commerce partners to enhance market share, and the e-commerce channel has become a key strategic growth driver for the Group. The Group's intimate wear products revenue from e-commerce amounted to approximately RMB392,661,000 for the year ended 31 December 2025, representing approximately 13.3% of the Group's total revenue. The Board considers that the continued engagement and incentivisation of service providers is essential to sustaining and further expanding the Group's e-commerce business;

(v) ***Substantial utilisation of the existing Service Provider Sublimit:*** an aggregate of 30,000,000 Share Options were granted on 27 January 2025 to service providers who work for the Group as independent contractors, being authorised dealers, to distribute the Group's products via online platforms in order to expand the Group's e-commerce business. As at 1 January 2025, the Service Provider Sublimit was 44,989,144 Shares, representing 2% of the Shares in issue as at the Adoption Date. Following the grant of the aforesaid 30,000,000 Share Options, the existing Service Provider Sublimit has been substantially utilised, with only approximately 33.3% of the Service Provider Sublimit available for grant, representing 14,989,144 Shares, which has, therefore, substantially utilised the existing Service Provider Sublimit and significantly limited the Company's ability to grant further Share Options and Awards to eligible service providers; and

(vi) ***Need for sufficient flexibility to incentivise service providers:*** as disclosed in the 2023 SAS Circular, the eligible Service Providers under the Share Option Scheme and the Share Award Scheme include independent contractors who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business, including distributors, contractors, suppliers, agents and service providers who assist the Group in market expansion through both online and offline channels. In light of the Group's growing reliance on such service providers, particularly those providing services through online platforms, and the need to continue to incentivise them to provide their valuable contributions to promoting business opportunities of the Group's intimate wear business, enhancing the growth and development of the Group and strengthening their long-term service commitment to the Group, the Board considers it necessary to increase the Service Provider Sublimit to provide the Company with sufficient flexibility to grant Share Options and Awards to eligible service providers in the future, so as to sustain the momentum of the Group's business growth, in particular, its e-commerce business. As evidenced by the substantial year-on-year growth in the Group's e-commerce GMV from approximately RMB1.6 billion in 2024 to over RMB4.3 billion in 2025 as disclosed in the 2025 Annual Results Announcement, the Group's e-commerce expansion has been driven in significant part by the contributions of service providers who work as authorised dealers distributing the Group's products via online platforms. As stated in the 2025 Annual Results Announcement, the Group has set a target of achieving an e-commerce GMV of RMB7 billion for 2026, and the continued engagement and incentivisation of such service providers is therefore pivotal to achieving this target. By granting Share Options and Awards to Service Providers, the Board considers that such equity-based incentives create a direct alignment between the financial interests of the Service Providers and the long-term performance of the Group, thereby motivating the Service Providers to sustain and enhance the quality, scale and continuity of their services to the Group. In particular, whilst the rules of the Share Option Scheme and the Share Award Scheme do not prescribe specific performance targets that must be met before a Share Option can be exercised or any Award can be granted, it is in the Board's sole discretion that the vesting of Share Options and Awards may be subject to the achievement of performance targets (such as the GMV generated by the relevant Service Providers), therefore, the grant of Share Options and Awards with vesting condition(s) to be determined by the Board in its sole discretion as appropriate could incentivise the Service Providers to actively drive the growth of the Group's e-commerce business on a continuing basis. The Board further considers that, given the substantial utilisation of the existing Service Provider Sublimit following the grant of 30,000,000 Share Options to service providers on 27 January 2025, an increase in the Service Provider Sublimit is necessary to ensure that the Company retains sufficient capacity to grant further Share Options and Awards to eligible service providers in the future, so as to sustain the momentum of the Group's e-commerce business growth and to align the interests of such service providers with the long-term development of the Group. As such, the Board is of the view that the grant of Share Options and Awards to Service Providers serves as a direct mechanism that could effectively sustain and accelerate the Group's e-commerce growth momentum.

The Board has considered alternative methods to remunerate and incentivise the Service Providers, such as cash bonuses and additional tiered service fees and/or charges, which, however, would involve direct cash outflow of the Group. Cash-based reward lacks a clear linkage between the Service Providers' contribution and the Company's sustained performance or value creation for Shareholders. On the other hand, equity-based incentives foster a sense of ownership and commitment among the Service Providers, motivating them to contribute to the Company's success beyond the scope of their immediate contractual obligations. By giving the Service Providers a stake in the Company, it does not only enhance their loyalty but also encourage them to invest in the quality and innovation of their services. In addition, granting Share Options and/or Awards to the Service Providers allows the Company to tailor the rewards to the nature of services to be provided by the Service Providers taking into account the Group's business needs and market condition by setting different vesting conditions and/ or performance targets. With such flexibility, the Board considers that the grant of Share Options and/or Awards could align the interests of the Service Providers with the strategic goals of the Group. As the grant of the Share Options and Awards to the Service Providers will be subject to a minimum vesting period of 12 months, the Board is also of the view that such grant is akin to a deferred bonus, serving as a long-term incentive that could effectively motivate the continued commitment of the Service Providers to drive the sustained business performance of the Group. As the Share Options and Awards will be satisfied by the allotment and issue of new Shares, there will not be any material cash outflow by the Group under such grant of Share Options and/or Awards to the Service Providers. Accordingly, the Board considers that equity-based incentives through granting Share Options and/or Awards to the Service Providers best aligns the interest of the Service Providers with the long-term development interest of the Group.

By reason of the foregoing, the Board is of the view that the increase in the Service Provider Sublimit under the Proposed Amendments to the Share Option Scheme and the Share Award Scheme is appropriate, reasonable and in the interests of the Company and the Shareholders as a whole.

Key Changes Entailed by the Proposed Amendments

In light of the aforementioned reasons, the Board proposes to amend the Share Option Scheme and the Share Award Scheme, the key changes entailed by the Proposed Amendments to the Share Option Scheme and the Share Award Scheme are set out below:

(a) to revise the paragraphs headed "8. Maximum Number of Shares subject to Option" and "10. Scheme Limit" in Appendices III and IV to the 2023 SAS Circular, respectively, in particular, the Service Provider Sublimit from 2% to 5% of the total number of Shares in issue on the Adoption Date; and

(b) to incorporate other consequential and housekeeping amendments to the Share Option Scheme and the Share Award Scheme which are in line with the above amendments.

All of the amendments proposed to be made to the Share Option Scheme and the Share Award Scheme to be approved at the AGM are set out in Appendices IIIA and IIIB to this circular, respectively. Save for the Proposed Amendments set out in Appendices IIIA and IIIB to this circular, respectively, the terms and conditions of the Amended Share Option Scheme and the Amended Share Award Scheme remain the same as those of the Share Option Scheme and the Share Award Scheme, respectively.

Reasons for the increase in the Service Provider Sublimit

As at the Adoption Date, there were 2,249,457,213 Shares in issue, accordingly, the maximum number of Shares issuable pursuant to the Amended Share Option Scheme and the Amended Share Award Scheme and any other schemes of the Company in aggregate is 224,945,721 Shares, being 10% of the total number of Shares in issue on the Adoption Date. As at the Latest Practicable Date, an aggregate of 44,000,000 Share Options have been granted under the Share Option Scheme, and the number of Shares available for future grant under the Scheme Mandate Limit and the Service Provider Sublimit is 180,945,721 Shares and 14,989,144 Shares, respectively, subject to refreshment of the Scheme Mandate Limit and the Service Provider Sublimit.

The Company proposes to revise the service provider sublimit of approximately 2% of the Shares in issue as at the Adoption Date under the Share Option Scheme and the Share Award Scheme in respect of the Share Options and Awards that may be granted to Service Providers in which the maximum number of Shares may be granted to the Service Providers is 44,989,144 Shares. Under the Amended Share Option Scheme and the Amended Share Award Scheme, the Service Provider Sublimit shall be the maximum number of Shares that may be granted to the Service Providers, i.e. 112,472,860 Shares, representing approximately 5% of the Shares in issue as at the Adoption Date and no more than 50% of the Scheme Mandate Limit.

The Board is of the view that, by holding on to equity incentives, the Service Providers (if granted the Awards) would benefit from the long-term growth of the Group, and the Service Providers as participants of the Amended Share Option Scheme and the Amended Share Award Scheme are incentivised to, on a continuous and long-term basis, achieve and fulfil the performance criteria that the Group would consider before vesting of Awards. As such, the Service Providers may be more likely to consider their own interests to be in line with the long-term growth of the Group. The Board also considers that a sustainable and stable relationship with the Service Providers is essential to the business development of the Group, and that the Service Providers play significant roles in the Group's business development by contributing their specialized skills in relation to the Group's operations.

The basis for determining the Service Provider Sublimit includes (i) the minimal potential dilution to the shareholding of the public Shareholders arising from the increase in the Service Provider Sublimit by 3% following the exercise of the Share Options and/or Awards to be granted to the Service Providers under the Service Provider Sublimit; (ii) the importance of striking a balance between achieving the purpose of the Amended Share Option Scheme and the Amended Share Award Scheme and protecting the Shareholders from the minimal potential dilution effect arising from granting a substantial amount of Share Options and/or Awards to the Service Providers, in particular, given that the proposed increase in the Service Provider Sublimit to 5% of the Shares in issue as at the Adoption Date is subject to and forms part of the overall Scheme Mandate Limit of 10%, therefore, the proposed increment in the Service Provider Sublimit does not, in effect, result in any increase in the overall Scheme Mandate Limit, thereby containing the aggregate dilutive impact on the Shareholders within the existing parameters that had previously been approved by the Shareholders back in the 2023 AGM; (iii) the growing engagement of Service Providers in the Group's businesses, particularly, its e-commerce business, in view of the substantial year-on-year growth in the Group's e-commerce GMV as stated above; (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers; (v) following the increase in the Service Provider Sublimit from 2% to 5%, the remaining portion of the Scheme Mandate Limit available for grants to the rest of the Eligible Participants will initially be 5%, resulting in an equal allocation between the Service Providers and the rest of the Eligible Participants, which the Board considers to be appropriate and balanced having regard to the significant and growing contributions of the Service Providers to the Group's business development, where the continuity and frequency of their services are akin to those of employees; and (vi) to the extent that the Service Provider Sublimit is not fully utilised, the unutilised portion may be made available for grants to the rest of the Eligible Participants, subject to the overall Scheme Mandate Limit of 10%, thereby providing the Company with additional flexibility to incentivise its Employee Participants and Related Entity Participants.

The Board has taken into consideration that (i) the Group has been engaging Service Providers as independent contractors to distribute the Group's intimate wear products through both online and offline channels, including primarily on e-commerce platforms and, to a lesser extent, through offline distribution networks, where the continuity and frequency of their services are akin to those of employees; (ii) the Service Providers are important links between the Group and the end customers for the Group's business; (iii) the Group's business needs and the nature of the Group's business model in relying on Service Providers for market expansion, in particular, the expansion of the Group's e-commerce business, as well as the strengthening of its offline distribution network; (iv) 30,000,000 Share Options have been granted to Service Providers on 27 January 2025, which has substantially utilised the existing Service Provider Sublimit of 2%; and (v) the significant and growing contributions of the Service Providers to the Group's e-commerce business as evidenced by the substantial year-on-year growth in the Group's e-commerce GMV. Accordingly, in light of the aforementioned factors and despite that there may be potential dilutive impact to the Shareholders, the Service Provider Sublimit of 5% is considered (i) appropriate and reasonable and is in line with the purposes and objectives of the Amended Share Option Scheme and the Amended Share Award Scheme; and (ii) in the interests of the Company and the Shareholders as a whole.

VIEW OF THE BOARD ON THE PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME

The Board (excluding the independent non-executive Directors) is of the view that:

(a) the Proposed Amendments allow greater flexibility in utilizing the Group's resources to implement the Amended Share Option Scheme and the Amended Share Award Scheme;

(b) the Proposed Amendments enable the Group to use share incentives (i) to encourage all Service Providers to contribute to the Group and align the mutual interests of each party; and (ii) to attract suitable personnel to enhance its business performance, as the Group and the Eligible Participants (including the service providers) will mutually benefit from the long-term growth of the Group by holding on to equity incentives;

(c) the Service Providers have played significant roles in the Group's business growth and development, and therefore the categories of service providers are in favour of the long-term development of the Group's business, in line with the Company's business needs, and in the interest of the Company and its Shareholders; and

(d) the Proposed Amendments are fair and reasonable.

VIEW OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THE PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME

Based on the aforementioned, the independent non-executive Directors are of the view that:

(a) the Proposed Amendments and the Service Provider Sublimit are appropriate and reasonable such that it provides the Group with the flexibility in utilising resources while providing further incentives to the Eligible Participants, including the service providers of the Group, to contribute to the growth and success of the Group, which is in line with the long-term interests of the Company and its Shareholders;

(b) the Service Providers have played significant roles in the Group's business growth and development, and therefore the categories of service providers are in line with the Company's business needs; and

(c) the Proposed Amendments are fair and reasonable.

ADOPTION CONDITIONS FOR THE PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME AND THE SHARE AWARD SCHEME

The adoption of the Proposed Amendments to the Share Option Scheme and the Share Award Scheme is conditional upon the fulfilment of the following conditions:

(a) the passing of the ordinary resolutions by the Shareholders at the AGM to approve (i) the Proposed Amendments to the Share Option Scheme and the Share Award Scheme; and (ii) the Service Provider Sublimit; and

(b) the Company having obtained the Listing Approval.

In relation to the condition set out in (a) above, ordinary resolutions will be proposed at the AGM for Shareholders to consider and, if thought fit, to approve the Proposed Amendments to the Share Option Scheme and the Share Award Scheme and the Service Provider Sublimit. In relation to the condition set out in (b) above, an application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be allotted and issued by the Company pursuant to the exercise of any Share Options and any awards of new Shares as at the Amendment Date.

PROPOSED RE-APPOINTMENT OF AUDITOR

Ernst & Young will retire as the auditor of the Company at the AGM and being eligible, offer themselves for re-appointment as the auditor of the Company. Details of the re-appointment of auditor are set out in the ordinary resolution numbered 5 of the notice of the AGM.

The estimated audit fee (the "**Estimated Audit Fee**") for the year ending 31 December 2026 is agreed to be ranging from RMB3,200,000 to RMB3,400,000, which is similar to that for the year ended 31 December 2025. The Estimated Audit Fee is determined based on the followings:

(i) the current business model of the Company is rather simple focusing on two business segments, namely, (a) design, marketing and sale of intimate wear products, and (b) development of industrial projects, and provision of logistic services in the People's Republic of China; and

(ii) the assumption of no expected material changes to (a) the strategic direction of the Group's business plan as compared to that of the previous year; (b) the upcoming audit scope and audit timetable; and (c) the resources to be allocated by Ernst & Young to the upcoming annual audit.

Based on the above, the Board is of the view that the Estimated Audit Fee is a fair and reasonable estimation after due consideration, taking into account of the facts and circumstances known at the relevant time of determination of such.

CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be effected.

In order to be eligible to attend and vote at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company 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 Friday, 22 May 2026 for registration.

The proposed final dividend is subject to the approval of Shareholders of the Company at the Annual General Meeting. The record date and time for entitlement to the proposed final dividend for 2025 is Monday, 8 June 2026 at 4:30 p.m. The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026, both days inclusive. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Wednesday, 3 June 2026 for registration.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently comprises nine Directors, of which five are executive Directors, namely Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Ms. Wu Xiaoli, Mr. Xian Shunxiang and Mr. Zhu Hongbo, one is non-executive Director, namely Mr. Lin Zonghong; and three are independent non-executive Directors, namely Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te.

According to Article 108 of the Company's Memorandum and Articles of Association, at every annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Accordingly, Mr. Zheng Yaonan, Mr. Lin Zonghong and Dr. Lu Hong Te will retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election.

In recommending Dr. Lu Hong Te to stand for re-election as an independent non-executive Director, the Nomination Committee and the Board have followed the nomination policy and board diversity policy of the Company. In reviewing the structure of the Board, the Nomination Committee and the Board will consider the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, skills, knowledge, professional experience, expertise and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against such criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with the objective of maintaining a balance of skills, knowledge, experience and diversity of perspectives on the Board which are appropriate to the requirements of the Company's business.

Dr. Lu Hong Te is an adjunct professor at the department of business administration of Chung Yuan Christian University in Taiwan. He has participated in Board meetings and served on various committees of the Board to give impartial advice and exercise independent judgement on the affairs of the Company. Notwithstanding the fact that Dr. Lu Hong Te will have served the Company for nine years during his new term of office upon re-election at the Annual General Meeting, the Nomination Committee and the Board consider that Dr. Lu Hong Te possesses diverse experience and expertise in different sectors, and that there are no circumstances which are likely to affect his independence as an independent non-executive Director. Dr. Lu Hong Te has satisfied the independence guidelines set out in Rule 3.13 of the Listing Rules and has not involved in the daily management of the Company or in any relationship which would interfere with the exercise of his independent judgment. Dr. Lu Hong Te has devoted sufficient time for the discharge of his functions and responsibilities as an independent non-executive Director through active participation on the Board and by bringing balance of views as well as knowledge, experience and expertise. The Board considers that Dr. Lu Hong Te remains independent notwithstanding the length of his service and believes that he is able to continue to fulfill his role as an independent non-executive Director and contribute to an upright and efficient Board for the interest of the Shareholders.

The re-election of Dr. Lu Hong Te as an independent non-executive Director will continue to bring valuable contribution to the future sustainable development of the Company with his respective strong and diversified educational background and professional experience. As such, the Nomination Committee proposed the re-appointment of Dr. Lu Hong Te to the Board for the Board to recommend to the Shareholders for re-election at the Annual General Meeting. The Board believes his re-election is in the interests of the Company and its Shareholders as a whole and therefore he should be re-elected.

The Nomination Committee has also assessed and reviewed the annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules of Dr. Lu Hong Te, and re-affirmed the independence of him.

Ordinary resolutions to re-elect Mr. Zheng Yaonan, Mr. Lin Zonghong and Dr. Lu Hong Te as Directors will therefore be proposed at the Annual General Meeting and their biographical details are set out in Appendix II to this circular. The re-election of each retiring Director will be individually and separately voted on by the Shareholders.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 28 to 33 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, 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 Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules. Separately, holders of Treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is being sent to the Shareholders together with this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the enclosed form of proxy to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the adoption of the Proposed Amendments to the Share Option Scheme and the Share Award Scheme. As such, no Shareholder is required to abstain from voting under the Listing Rules on the relevant resolutions to be proposed at the Annual General Meeting.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Board considers that the proposed resolutions for the grant to the Directors of the Proposed General Mandate, the Proposed Buy-back Mandate, the Proposed Amendments to the Share Option Scheme and the Share Award Scheme, the re-election of the retiring Directors and the re-appointment of auditor of the Company are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that all of the Shareholders vote in favour of all of the resolutions which are to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in Appendices IIIA and IIIB to this circular. A copy of the Amended Share Option Scheme and the Amended Share Award Scheme will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.cosmo-lady.com.hk) for display for a period of not less than 14 days before the date of the AGM and the Amended Share Option Scheme and the Amended Share Award Scheme will be made available for inspection at the AGM.

Yours faithfully
For and on behalf of the Board of
Cosmo Lady (China) Holdings Company Limited
Zheng Yaonan
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Proposed Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,249,457,213 Shares which are fully paid. Subject to the passing of resolution numbered 7 regarding the Proposed Buy-back Mandate as set out in the notice of Annual General Meeting and on the basis that no further Shares will be issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Proposed Buy-back Mandate to buy back a maximum of 224,945,721 Shares until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by its current Memorandum and Articles of Association or the applicable laws to be held; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

2. REASONS FOR BUY-BACK

Buy-backs of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-backs will be to the benefit of the Company and its Shareholders as a whole.

3. FUNDING OF SHARE BUY-BACK

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

Subject to the compliance with the Listing Rules and all applicable laws and regulations, the Company may cancel any shares it repurchased and/or hold such shares as treasury shares for subsequent re-issue or sale subject to consideration of factors including market conditions and the Group's capital management needs at the relevant time of the repurchases.

It is envisaged that if the Proposed Buy-back Mandate is exercised in full, there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the audited financial statements for the year ended 31 December 2025 (being the date to which the latest published audited financial statements of the Company have been made up). However, the Directors do not propose to exercise the Proposed Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. UNDERTAKING AND INTENTION OF CONNECTED PARTIES

The Directors will exercise the powers of the Company to make buy-backs pursuant to the Proposed Buy-back Mandate in accordance with the Listing Rules, the Company's current Memorandum and Articles of Association and all applicable laws of Cayman Islands.

The Company may cancel such repurchased Shares or hold them as Treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases. For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close associates presently intend to sell the Shares to the Company under the Proposed Buy-back Mandate in the event that the Proposed Buy-back Mandate is approved by Shareholders.

The Company has not been notified by any core connected persons (as defined under the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Proposed Buy-back Mandate is approved by the Shareholders.

5. EFFECT OF TAKEOVERS CODE

If as a result of a buy-back of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Harmonious Composition was interested in 735,018,732 Shares, representing approximately 32.68% of the total issued share capital of the Company. Harmonious Composition is wholly owned by Great Brilliant Investment Holdings Limited, which is in turn wholly owned by Yao Li. Mr. Zheng Yaonan is deemed to be interested in 808,686,201 Shares, representing approximately 35.95% of the total issued share capital of the Company.

Based on the said interest of Mr. Zheng Yaonan as at the Latest Practicable Date, in the event that the Directors exercise in full their power under the Proposed Buy-back Mandate to buy back Shares, the interest of Harmonious Composition and Mr. Zheng Yaonan would be increased to approximately 36.31% and 39.94% respectively, of the total issued share capital of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Proposed Buy-back Mandate to such an extent as would result in takeover obligations under the Takeovers Code.

6. MARKET PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest Price	**Lowest Price**
	HK$	*HK$*
2025		
April	0.250	0.226
May	0.240	0.220
June	0.243	0.207
July	0.400	0.235
August	0.410	0.340
September	0.370	0.310
October	0.365	0.305
November	0.360	0.310
December	0.330	0.260
2026		
January	0.365	0.320
February	0.360	0.330
March	0.355	0.310
April (up to the Latest Practicable Date)	0.485	0.335

7. BUY-BACKS OF SHARES MADE BY THE COMPANY

No buy-back of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date. The Company further confirms that this explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules and neither this explanatory statement nor the Proposed Buy-back Mandate has any unusual features.

The information of the three retiring Directors proposed to be re-elected at the Annual General Meeting is set out as follows:

(1) **Mr. Zheng Yaonan**, aged 50, is the chairman of the Board and an executive Director of the Company. He is the chief executive officer of the Company from 30 November 2021 onwards. He holds positions as the executive directors and concurrently as the general manager of a number of the Company's subsidiaries, and is also one of the founders of the Group. From 30 January 2014 to 19 August 2019, Mr. Zheng was the chief executive officer of the Company as well. With approximately 26 years of experience in the intimate wear manufacturing and sales industry, Mr. Zheng has been the key driver of the business strategies and achievements to date of the Group. He is primarily responsible for the strategic planning, business development, corporate management and overall performance of the Group. Mr. Zheng has been serving the Group since September 2009.

Mr. Zheng is currently a member of Chinese People's Political Consultative Conference Dongguan Committee, a vice chairman of Dongguan Federation of Industry and Commerce and the chairman of Fujian Chamber of Commerce in Shenzhen. Furthermore, Mr. Zheng was elected as the President of Shenzhen Underwear Association in January 2025. He was a committee member of Ningde City of Fujian Provincial Committee of Chinese People's Political Consultative Conference from January 2017 to January 2022.

Mr. Zheng completed the China CEO Program and obtained an executive education program certificate from Cheung Kong Graduate School of Business, Beijing in 2013, and completed an EMBA course in Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University and an EMBA course at the School of Management of Xiamen University, Xiamen, Fujian Province in 2016 and 2017 respectively. In addition, he obtained a Doctor of Business Administration from the program offered by the University of Minnesota in partnership with Tsinghua University

Mr. Zheng is the husband of Ms. Wu Xiaoli, an executive Director and a vice president of the Company.

As at the Latest Practicable Date, Mr. Zheng is interested in 808,686,201 Shares, representing approximately 35.95% of issued share capital of the Company, within the meaning of Part XV of the SFO.

Mr. Zheng has entered into a service contract with the Company, pursuant to which he was appointed for an initial term of three years commencing from 30 January 2014, which is renewable upon expiry of the initial term if successfully re-elected and will continue thereafter until terminated by no less than three months' notice in writing served by either party on the other. His directorship is subject to retirement by rotation and re-election in accordance with the Company's current Memorandum and Articles of Association. For the year ended 31 December 2025, Mr. Zheng is entitled to a total remuneration of RMB956,000 as emoluments for his services in his capacity as an executive Director.

Such emolument has been reviewed by the remuneration committee of the Board and was determined by the Board with reference to the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Zheng with the Company.

(2) **Mr. Lin Zonghong**, aged 57, is a non-executive Director from 19 August 2019. He was a deputy chairman of the Board and an executive Director from 30 January 2014 to 19 August 2019. Mr. Lin is one of the founders of the Group and he is primarily responsible for giving strategic advice and making recommendations on the operations and management of the Group. Mr. Lin has been serving the Group since September 2009.

Mr. Lin graduated from China Europe International Business School, Shanghai, upon finishing the study of the Advanced Management Program in 2013.

Pursuant to Part XV of the SFO, Mr. Lin was interested and taken to be interested in a total of 106,290,277 Shares as at the Latest Practicable Date, representing approximately 4.73% of issued share capital of the Company.

Mr. Lin has entered into a service contract with the Company, pursuant to which he was appointed for an initial term of three years commencing from 30 January 2014, which is renewable upon expiry of the initial term if successfully re-elected and will continue thereafter until terminated by no less than three months' notice in writing served by either party on the other. His directorship is subject to retirement by rotation and re-election in accordance with the Company's current Memorandum and Articles of Association. For the year ended 31 December 2025, Mr. Lin is entitled to a total service fee of RMB176,000 for his appointment as a non-executive Director. The emolument of the non-executive Director is determined by reference to the duties and responsibilities of directors towards the Company and prevailing market conditions.

(3) **Dr. Lu Hong Te**, aged 65, is an independent non-executive Director, the chairman of the nomination committee of the Company and a member of the audit committee, the remuneration committee and the risk management committee of the Company. Dr. Lu is mainly responsible for giving strategic advice and making recommendations on the operations and management of the Group. He has been serving the Group since 2017.

Dr. Lu is currently an adjunct professor at the department of business administration of Chung Yuan Christian University in Taiwan. He also serves as an independent director of Lanner Electronics Inc. and FIT Holding Co., Ltd., the shares of both of which are traded in Taipei Exchange, as well as a director of Liton Technology Corp. Dr. Lu resigned as an independent non-executive director of China SCE Group Holdings Limited in May 2023, resigned as an independent director of Firich Enterprises Co., Ltd. in June 2023, and resigned as an independent non-executive director of China Lilang Limited in February 2024.

Dr. Lu obtained a bachelor's degree in industrial management science from National Cheng Kung University in 1983, and a master's degree and a doctoral degree in marketing from the Graduate Institute of Business Administration of the College of Management of National Taiwan University in 1985 and 1992, respectively.

As at the Latest Practicable Date, Dr. Lu is interested in 210,000 Shares, representing approximately 0.01% of issued share capital of the Company, within the meaning of Part XV of the SFO.

Dr. Lu has entered into a letter of appointment with the Company, pursuant to which he was appointed for an initial term of three years commencing from 17 August 2017, which is renewable automatically for one year and by mutual consent for each successive year, and may be terminated by no less than one month's notice in writing served by either party on the other. His directorship is subject to retirement by rotation and re-election in accordance with the Company's current Memorandum and Articles of Association. For the year ended 31 December 2025, Dr. Lu is entitled to a total service fee of RMB150,000 for his appointment as an independent non-executive Director. Such emolument has been reviewed by the remuneration committee of the Board and was determined by the Board with reference to the duties and responsibilities of directors towards the Company and prevailing market conditions.

Save for the aforesaid disclosure, as at the Latest Practicable Date, all the aforesaid retiring Directors neither held any directorship in public companies the securities of which were listed on any securities market in Hong Kong or overseas over the last three years nor had any relationship with any Directors, senior management or substantial or Controlling Shareholders.

Save as disclosed herein, there is neither other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules nor is there other matter that needs to be brought to the attention of the Shareholders.

This appendix sets out the Proposed Amendments to the Share Option Scheme by revising Appendix III to the 2023 SAS Circular as follows:

Paragraph no.	Before the Proposed Amendments	After the Proposed Amendments
8.2	Subject to paragraph 8.1, the total number of Shares which may be allotted and issued in respect of all Share Options or share options or share awards to be granted to Service Providers under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 2% of the total number of Shares in issue as at the Adoption Date (the "**Service Provider Sublimit"**).	Subject to paragraph 8.1, the total number of Shares which may be allotted and issued in respect of all Share Options or share options or share awards to be granted to Service Providers under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed ~~2~~5% of the total number of Shares in issue as at the Adoption Date (the "**Service Provider Sublimit**").
8.5(a)	the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed (the "**New Scheme Limit**") must not exceed 10% and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed 2% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit (and New Service Provider Sublimit). Share Options, share options or share awards previously granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Share Options, share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.	the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed (the "**New Scheme Limit**") must not exceed 10% and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed ~~2~~5% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit (and New Service Provider Sublimit). Share Options, share options or share awards previously granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Share Options, share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

This appendix sets out the Proposed Amendments to the Share Award Scheme by revising Appendix IV to the 2023 SAS Circular as follows:

Paragraph no.	Before the Proposed Amendments	After the Proposed Amendments
10.2	Subject to Paragraph 10.1, the total number of Shares which may be allotted and issued in respect of all Awarded Shares or share options or share awards to be granted to Service Providers under this Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 2% of the total number of Shares in issue as at the Amendment Date (the "**Service Provider Sublimit"**).	Subject to Paragraph 10.1, the total number of Shares which may be allotted and issued in respect of all Awarded Shares or share options or share awards to be granted to Service Providers under this Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed ~~2~~5% of the total number of Shares in issue as at the ~~Amendment~~Adoption Date (the "**Service Provider Sublimit"**).
10.5(a)	the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed (the "**New Scheme Limit**") must not exceed 10% and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed 2% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit (and New Service Provider Sublimit). Share options or share awards previously granted under any share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of any share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.	the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed (the "**New Scheme Limit**") must not exceed 10% and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed ~~2~~5% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit (and New Service Provider Sublimit). Share options or share awards previously granted under any share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of any share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

Cosmo Lady (China) Holdings Company Limited
都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Cosmo Lady (China) Holdings Company Limited (the "**Company**") will be held at Building N1, Fenggang Tianan Digital City, Fenggang Town, Dongguan City, Guangdong, the PRC on Friday, 29 May 2026 at 11 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025 together with the reports of the directors and the auditor of the Company;

2. To declare a final dividend of HK1.6 cents per share of the Company for the year ended 31 December 2025;

3. To re-elect the following retiring directors of the Company:

   (i) Mr. Zheng Yaonan;

   (ii) Mr. Lin Zonghong; and

   (iii) Dr. Lu Hong Te.

4. To authorize the board of the directors of the Company to fix the remuneration of the directors of the Company;

5. To re-appoint Ernst & Young as the auditor of the Company and to authorise the board of directors of the Company to fix its remuneration;

6. As special business, to consider and, if thought fit, pass (with or without amendments) the following resolution as an ordinary resolution:

"**THAT**:

(a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the "**Directors**") during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the "**Shares**") (including any sale or transfer of treasury shares ("**Treasury Shares**", which shall have the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") which came into effect on 11 June 2024)) and to make or grant offers, agreements and options (including warrants to subscribe for Shares or any securities which are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) of this resolution shall authorise the board of Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants to subscribe for Shares or any securities which are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (including Treasury Shares, if any, sold or transferred or agreed conditionally or unconditionally to be sold or transferred, whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription, exchange or conversion under the terms of any warrants or convertible securities issued by the Company or any securities which are exchangeable into Shares; (iii) the exercise of the subscription rights under options granted under any option scheme or similar arrangement adopted by the Company; or (iv) any scrip dividend or similar arrangement providing for allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and articles of association of the Company, shall not exceed 20% of the aggregate number of issued Shares (excluding Treasury Shares, if any) on 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 to be held by the memorandum and articles of association of the Company or the applicable laws of the Cayman Islands; and

(iii) the revocation or variation of approval granted under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"**Rights Issue**" means an offer of Shares, warrants or other securities which are attached with rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).''; and

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"**THAT**:

(a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company or any other rights to subscribe Shares in each case on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or on any other stock exchange on which shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the total number of the Shares which the Directors are authorised to buy back pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of issued Shares (excluding Treasury Shares, if any) on the date of passing of this resolution, and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution, "**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the memorandum and articles of association of the Company or the applicable laws of the Cayman Islands; and

(iii) the revocation or variation of the approval granted under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

8. "**THAT**:

(i) the Proposed Amendments to the Share Option Scheme (the "**Amended Share Option Scheme**") a copy of which is produced to this meeting, marked "A" and initialed by the chairman of the meeting for identification purpose, be and is hereby approved and adopted in all respects; and

(ii) the Directors be and are hereby authorized to grant the awards thereunder, and do all such acts and execute all such documents as he/she may deem necessary or expedient in order to give full effect to implementation of the Amended Share Option Scheme."

9. "**THAT**:

(i) the Proposed Amendments to the Share Award Scheme (the "**Amended Share Award Scheme**") a copy of which is produced to this meeting, marked "B" and initialed by the chairman of the meeting for identification purpose, be and is hereby approved and adopted in all respects; and

(ii) the Directors be and are hereby authorized to grant the awards thereunder, and do all such acts and execute all such documents as he/she may deem necessary or expedient in order to give full effect to implementation of the Amended Share Award Scheme."

10. "**THAT**, conditional on the passing of the ordinary resolutions no. 8 and 9 set out in this notice and adoption of the Amended Share Option Scheme and the Amended Share Award Scheme, the Service Provider Sublimit (as defined in the Amended Share Option Scheme and the Amended Share Award Scheme) on the total number of Shares that may be issued in respect of all share options or share awards to be granted to Service Providers (as defined in the Amended Share Option Scheme and the Amended Share Award Scheme) under the Amended Share Option Scheme, the Amended Share Award Scheme or all other share option schemes or share award schemes of the Company (i.e. 5% of the shares of the Company in issue as at the Adoption Date) be and is hereby approved and adopted and the directors of the Company be and are 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 the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit."

By Order of the Board
Cosmo Lady (China) Holdings Company Limited
Zheng Yaonan
Chairman

Hong Kong, 8 May 2026

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must attend the Annual General Meeting in person to represent the member.

2. Where there are joint registered holders of any Share, any one of such persons may vote at the Annual General Meeting, 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 registered holders are present at the Annual General Meeting 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 shall alone be entitled to vote in respect thereof.

3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be lodged for registration with the share registrar of the Company 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 Annual General Meeting or any adjournment thereof.

4. For determining shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company 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 Friday, 22 May 2026 for registration.

5. (a) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is in force at any time between 9:00 a.m. and 11:00 a.m. on the day of the Annual General Meeting, the Annual General Meeting may be postponed to a later date and/or time as determined by the Company.

(b) If postponed, the Company will, as soon as practicable, post an announcement on its website and on the website of the Stock Exchange to notify shareholders of the Company that the meeting has been postponed. When the date, time and venue of the rescheduled meeting has been fixed, the Company will post a further announcement on its website and on the website of the Stock Exchange to notify shareholders of the Company of the date, time and venue of the rescheduled meeting. At least seven clear days' notice shall be given of the rescheduled meeting.

(c) The Annual General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. After considering their own situations, members should decide on their own whether or not they would attend the Annual General Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.