
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer 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 Man Wah Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A notice convening the SGM to be held at 24/F, Admiralty Center 1, 18 Harcourt Road, Hong Kong on Friday, 3 July at 4:30 p.m. is set out on pages 19 to 21 of this circular. A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM, or any adjournment thereof, should you so wish.

2 June 2020

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PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Seating at the SGM venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for Shareholders to attend the SGM. The Company may limit the number of attendees at the SGM as may be necessary to avoid over-crowding.
- (ii) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.3 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell will not be admitted to the SGM venue or be required to leave the SGM venue.
- (iii) Any person who has travelled outside Hong Kong within 14 days immediately before the SGM (“**recent travel history**”), is subject to quarantine or self-quarantine in relation to COVID-19, or has close contact with any person under quarantine or with recent travel history shall not attend the SGM.
- (iv) Every person is required to wear surgical face masks inside the SGM venue at all times.
- (v) No gifts, food or beverages will be provided at the SGM.

To the extent permitted under law, the Company reserves the right to deny entry of any person into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In addition, the Company reminds Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person, by using form of proxy with voting instructions inserted.

The form of proxy is attached to the circular for shareholders who opt to receive physical circulars. Alternatively, the form of proxy can be downloaded from the Company’s website at www.yueyuen.com. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Subject to the development of COVID-19, the Company may be required to change the SGM arrangements at short notice. Shareholders should check the Company’s website for further announcements and updates on the SGM arrangements.

DEFINITIONS

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

“2010 Share Option Scheme”	the share option scheme adopted by the Company on 5 March 2010;
“Adoption Date”	the date on which the Share Option Scheme is to be adopted, conditionally or unconditionally, by the resolution of the Shareholders at the SGM;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which the Stock Exchange is open for the business of dealing in securities;
“Bye-laws”	bye-laws of the Company;
“close associate”	has the meaning ascribed to it under the Listing Rules;
“Company”	Man Wah Holdings Limited 敏華控股有限公司, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“core connected persons”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) a person who is entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	26 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	the offer of the grant of an Option made in accordance with the Share Option Scheme;
“Option”	an option to subscribe for Shares granted pursuant to the Share Option Scheme and for the time being subsisting;
“Option Period”	in respect of any particular Option, the period during which the Grantee may exercise the Option, which is determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the date of grant;
“Participants”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group;
“SGM”	the special general meeting of the Company to be held at 24/F, Admiralty Center 1, 18 Harcourt Road, Hong Kong on Friday, 3 July 2020, notice of which is set out in this circular;

DEFINITIONS

“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the SGM, a summary of the principal terms of which is set out in Appendix I of this circular;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares of HK\$0.40 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Share Option Scheme;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

LETTER FROM THE BOARD



MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

Executive Directors:

Mr. Wong Man Li

(Chairman and Managing Director)

Ms. Hui Wai Hing

Mr. Alan Marnie

Mr. Dai Quanfa

Ms. Wong Ying Ying

Mr. Yang Huiyan *(Chief Financial Officer)*

Independent Non-executive Directors:

Mr. Chau Shing Yim, David

Mr. Ong Chor Wei

Mr. Kan Chung Nin, Tony

Mr. Ding Yuan

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Head Office and Principal Place of

Business in Hong Kong:

1st Floor

Wah Lai Industrial Center

10-14 Kwei Tei Street

Fotan, New Territories

Hong Kong

2 June 2020

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
(2) NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the information in relation to the proposed adoption of the Share Option Scheme and to provide you with the notice of the SGM.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The 2010 Share Option Scheme

As the 2010 Share Option Scheme expired on 4 March 2020, the Board considers that it is in the interest of the Company to adopt the Share Option Scheme so as to continue to be able to provide incentives or rewards to the Participants thereunder for their contributions to the success of the Group. The Company had no subsisting share option scheme as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 31,449,200 outstanding share options granted under the 2010 Share Option Scheme which continue to be capable of exercise during the prescribed period in accordance with the 2010 Share Option Scheme and other terms of their grant.

Proposed adoption of the Share Option Scheme

The Board proposes the adoption of the Share Option Scheme, which, if adopted, will be valid for 10 years from the Adoption Date, so that share options to subscribe for the Shares may be granted to the Participants pursuant to the terms thereof. The purpose of the Share Option Scheme is to reward Participants who have contributed to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Participants include individuals or entities that are not employees or directors of the Group, such as advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group. The benefit of offering such options to these persons is to have them become potential shareholders of the Company and thereby align the interests of such parties with those of the Group.

The terms of the Share Option Scheme provide that in granting Options under the Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the Subscription Price in respect of any Option. By setting vesting periods, performance targets and a subscription price, the relevant grantee will have to work towards meeting these standards set by the Board for the purpose of contributing to the success of the Group. Such terms and conditions are set with the objective of serving the purpose of the Share Option Scheme. This is no trustee in the Share Option Scheme.

LETTER FROM THE BOARD

A summary of the principal terms of the proposed Share Option Scheme is set out in Appendix I to this circular. A copy of the Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at 1st Floor, Wah Lai Industrial Center, 10-14 Kwei Tei Street, Fotan, New Territories, Hong Kong for a period of 14 days before the date of the SGM and at the SGM.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, option period, any lock-up period, any performance targets set and other relevant variables.

The Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve and adopt the Share Option Scheme by the Shareholders in the SGM and to authorise the Board to grant the Options thereunder and to allot and issue the Shares pursuant to the exercise of any Options under the Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued by the Company pursuant to the exercise of any Options under the Share Option Scheme.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the ordinary resolution to approve and adopt the Share Option Scheme.

Subject to Shareholders' approving the adoption of the Share Option Scheme, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company which provide for the grant of options to acquire or subscribe for Shares exceeding, in aggregate, 30% of the Shares in issue from time to time.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had a total of 3,795,940,000 Shares in issue. Assuming that there is no change in the total number of Shares in issue during the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be allotted and issued pursuant to the Share Option Scheme will be 379,594,000 Shares, representing 10% of the total number of Shares in issue as at the date of SGM.

The Company may grant Options to the Participants within the twelve months after the Share Option Scheme is adopted. Any such grants will be the subject of Board review and in line with its remuneration considerations. In the event that the Board does make such a grant, the details of such grant will be disclosed in accordance with the requirements under the Listing Rules.

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

3. SGM

The SGM will be held at 24/F, Admiralty Center 1, 18 Harcourt Road, Hong Kong on Friday, 3 July at 4:30 p.m., and the relevant notice of the SGM is set out on pages 19 to 21 of this circular.

At the SGM, an ordinary resolution will be proposed to approve the adoption of the Share Option Scheme and to authorise Directors to enter into all such transactions, arrangements and agreements, to approve and execute all documents, instruments and agreements and to do all such acts as he may consider necessary, appropriate or expedient to give full effect to the Share Option Scheme.

The register of members of the Company will be closed from Monday, 29 June 2020 to Friday, 3 July 2020, both days inclusive, during which no transfer of Shares will be effected. In order to ascertain Shareholders' rights for the purpose of attending and voting at the SGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 26 June 2020 for registration.

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the form of proxy and return it to the office of the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, in accordance with the instructions

LETTER FROM THE BOARD

printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

VOTING BY POLL AT THE SGM

Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 70 of the Bye-laws, any vote of Shareholders at the SGM shall be taken by poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the vote by poll will be published by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

In respect of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules, especially where any related matters are required to be approved by the Shareholders/independent non-executive Directors of the Company separately. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any direct or indirect material interest in the proposed adoption of the Share Option Scheme and accordingly, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM.

After the conclusion of the SGM, the poll results will be published on the websites of the Stock Exchange and the Company.

RESPONSIBILITY OF DIRECTORS

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

RECOMMENDATIONS

The Board is of the view that the proposed adoption of the Share Option Scheme represents a recognition of the contributions of the management team and key personnel to the growth of the Group. It is expected that the Share Option Scheme will provide incentives for the continuing commitment of such management and key personnel, thereby fostering the long-term development of the Group and maximizing the interest of the Shareholders.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the proposed adoption of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of the resolutions to be proposed at the SGM.

Yours faithfully,
By order of the Board
Man Wah Holdings Limited
Wong Man Li
Chairman

The following is a summary of the principal terms of the Share Option Scheme:

1. The purpose of the Share Option Scheme is to reward Participants who have contributed to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.
2. The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. Subject to the provisions of the Share Option Scheme, the Board shall have the right to (a) interpret and construe the provisions of the Share Option Scheme; (b) determine the persons (if any) who shall be offered Options under the Share Option Scheme, the number of Shares and Subscription Price; (c) make such adjustments to the terms of the Options granted under the Share Option Scheme to the relevant Grantee as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the Share Option Scheme provided that the same are not inconsistent with the provisions of the Share Option Scheme and the Listing Rules.
3. The Participants are Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.
4. On and subject to the terms of the Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select to take up an Option pursuant to which such Participant may, during the Option Period (as defined in paragraph 9 below), subscribe for such number of Shares as the Board may determine at the Subscription Price.
5. Any grant of Options to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of the Company or any of its subsidiaries shall be subject to the prior approval of the independent non-executive Directors (excluding independent

non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue on the date of grant; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the stock exchange on the date of grant, in excess of HK \$5 million,

such further grant of Options must be subject to prior approval by the Shareholders (voting by way of poll). The Company must send a circular to the Shareholders in accordance with the Listing Rules. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour of the resolution at such general meeting of the Company.

- 6. The Company may not grant any Options after inside information has come to its knowledge until it has announced the information. No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or the law.
- 7. The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “**Scheme Limit**”). No Options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in the Scheme Limit being exceeded.

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in the absence of Shareholders’ approval, in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval but in any event the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of the Shareholders' approval of the renewal of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

The Company may seek separate Shareholders' approval in general meeting for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought. In connection with the seeking of such separate Shareholders' approval, a circular must be sent to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose and such other information required under the Listing Rules.

8. The maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period must not (when aggregated with any Shares subject to options granted during such period under any other share option schemes of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being (the "**Individual Limit**"). Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

9. The Option Period of an Option is the period during which the Grantee may exercise the Option, which is determined and notified by the Board to the Grantee at the time of making an Offer and must not be more than 10 years from the date of grant.
10. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include, among other things, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and/or (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. Unless otherwise determined by the Directors and stated in the offer of the grant of Options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an Option before it can be exercised.
11. An Offer is deemed to be accepted when the Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted and a remittance to the Company of HK\$1.00 as consideration for the grant of Option within 28 days from the date on which the letter containing the Offer is delivered to the Participant. Such remittance is not refundable in any circumstances.
12. The Subscription Price shall be determined by the Board in its absolute discretion but in any event must not be less than the highest of:
 - (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, which must be a Business Day;
 - (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant; and
 - (c) the nominal value of the Shares.
13. The Options do not carry any right to vote in the general meeting of the Company, or any right to dividend, transfer or any other rights, including those arising on the liquidation of the Company. The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and Bye-laws for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or

other distributions paid or made after the date on which Shares are allotted other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

14. Subject to the provisions of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be offered or granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects for the outstanding Options. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.
15. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:
 - (a) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);
 - (b) the expiry of the periods referred to below:
 - (i) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph 15(f) below having arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of 12 months following his death provided that where any of the events set out in this paragraph 15(b)(iv), (v), (vi) and (vii) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 15(f) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised

such Option and the Company shall return to him the amount of the Subscription Price for the Shares received by the Company in respect of the purported exercise of such Option;

- (ii) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 15(f) below, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
- (iii) in the event of a Grantee who is not an employee or a director of the Company or another member of the Group ceasing to be a Participant as and when determined by the Board by resolution for any reason other than his death, the period notified to such Grantee by the Board in a written notice to such grantee within 1 month from the date of cessation;
- (iv) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 15(b)(v) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the period notified by the Company to the Grantee for exercising the Option;
- (v) if a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the period notified by the Company to the Grantee for exercising the Option;
- (vi) in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the period notified by the Company to the Grantee for exercising the Option;

- (vii) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 15(b)(v) above, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the period notified by the Company to the Grantee in a notice to be given to all Grantees on the same day as the Company gives notice of the meeting to its members or creditors to consider such compromise or arrangement;
- (c) the expiry of the period referred to in paragraph 15(b)(iv) above provided that if any court of competent jurisdiction makes an order to prohibit the offeror from acquiring the remaining Shares in the general offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the offer lapses or is withdrawn before that date;
- (d) subject to the scheme of arrangement (referred to in paragraph 15(b)(v) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 15(b)(v) above;
- (e) the date of the commencement of the winding-up of the Company;
- (f) the date on which the Grantee (if an employee or director of the Company or another member of the Group) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant subsidiary of the Company to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the Grantee and, where appropriate, his legal personal representative(s);
- (g) the date on which the Grantee commits a breach of paragraph 19 below; and
- (h) subject to paragraph 15(b)(ii) above, the date the Grantee ceases to be a Participant for any other reason.

16. In the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, whilst any Option remains exercisable, such corresponding alterations (if any) shall be made in:
- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
 - (b) the Subscription Price for the Shares subject to the Option so far as unexercised; and/or
 - (c) the number of Shares subject to the Share Option Scheme,
- or any combination thereof, provided that:
- (i) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
 - (ii) notwithstanding paragraph 16(i) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005 and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time,
- but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. The Company shall engage the auditors or the independent financial adviser to certify in writing to the Board, either generally or as regards any particular Grantee, that the adjustments made by the Company satisfy the requirements in paragraphs 16(i) and 16(ii) above.
17. Any Options granted but not exercised may be cancelled if the Grantee so agrees. Where the Company cancels the Options and issues new Options to the same Grantee, the issue of such new Options may only be made under the Share Option Scheme or any other share option scheme of the Company (excluding the cancelled Options) within the Scheme Mandate Limit.

18. The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the Share Option Scheme.
19. An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.
20. Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted, must also, to be effective, be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

NOTICE OF SPECIAL GENERAL MEETING



MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

NOTICE IS HEREBY GIVEN that the Special General Meeting of Man Wah Holdings Limited (the “**Company**”) will be held at 24/F, Admiralty Center 1, 18 Harcourt Road, Hong Kong on Friday, 3 July at 4:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to the approval of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing and trading of the shares of the Company to be allotted and issued upon the exercise of any share options granted under the share option scheme (the “**Share Option Scheme**”, which has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification) specified in the circular of the Company dated 2 June 2020, the Share Option Scheme be and is hereby approved and adopted as the share option scheme of the Company; and the directors of the Company be and are hereby authorised to take all necessary or appropriate steps to implement the Share Option Scheme, including but not without limitation:

- (i) to administer the Share Option Scheme under which share options will be granted to the Participants (as defined in the Share Option Scheme) eligible under the Share Option Scheme to subscribe for shares of the Company (the “**Shares**”), including but not limited to determining and granting the share options in accordance with the terms of the Share Option Scheme;
- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);

NOTICE OF SPECIAL GENERAL MEETING

- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the Share Option Scheme provided that the maximum number of Shares which may be allotted and issued pursuant to the Share Option Scheme is 10% of the total number of Shares in issue as at the date of passing of this resolution;
- (iv) make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

By order of the Board
Man Wah Holdings Limited
Wong Man Li
Chairman

Hong Kong, 2 June 2020

Notes:

1. All resolutions set out in this notice of the SGM will be taken by poll pursuant to the bye-laws of the Company and the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A form of proxy for the meeting is enclosed.
3. Any shareholder of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. Votes may be given either personally or by duly authorised corporate representative or by proxy. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder. In addition, a proxy or proxies representing either an individual shareholder or a shareholder which is a corporation, shall be entitled to exercise the same powers on behalf of the shareholder which he or they represent as such shareholder could exercise, including the right to vote individually on a show of hands.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

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5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, located at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. Where there are joint registered holders of any share of the Company, any one of such persons may vote at any 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 holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
8. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 29 June 2020 to Friday, 3 July 2020 (both days inclusive), during which period no transfer of Shares will be registered. In order for a shareholder of the Company to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 p.m. on Friday, 26 June 2020.