
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Jiyi Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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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Jiyi Holdings Limited 集一控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

PROPOSALS ON
(1) THE GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES;
(2) RETIREMENT AND RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR OF THE COMPANY;
(4) AMENDMENTS TO SHARE OPTION SCHEME;
(5) REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the circular.

A letter from the Board is set out on pages 6 to 15 of this circular. A notice convening the AGM (as defined herein) of Jiyi Holdings Limited to be held at Room 6303, Block A, Jingji Binhe Shidai Building, Futian District, Shenzhen, PRC (中國深圳市福田區京基濱河時代大廈A座6303室) on Friday, 2 June 2023, at 11:00 a.m. is set out on pages AGM-1 to AGM-8 of this circular.

A form of proxy for the AGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend and vote at the AGM, you are requested to complete the accompanying form of proxy and return it to the branch share registrar of the Company (as defined herein), 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 holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

28 April 2023

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DEFINITIONS

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

“1% Individual Limit”	in respect of an Eligible Person, the number of Shares issued or falling to be issued to that Eligible Person under all Share Options and/or awards granted to him (under the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules) of the Company) over any 12-month period up to and including the date of the proposed grant, must not, unless specially approved by Shareholders in general meeting in accordance with the Listing Rules, exceed 1% of the total number of Shares in issue
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Room 6303, Block A, Jingji Binhe Shidai Building, Futian District, Shenzhen, PRC (中國深圳市福田區京基濱河時代大廈A座6303室) on Friday, 2 June 2023 at 11:00 a.m. or any adjournment thereof
“Amended Rules”	the amendments to the Listing Rules relating to share schemes of listed issuers, which will take effect on 1 January 2023 pursuant to the Consultation Conclusions
“Amended Share Option Scheme”	the Share Option Scheme as amended by incorporating the Proposed Amendments to be approved at the AGM
“Articles of Association”	the articles of association of the Company, and the “Article” shall mean an article of the Articles of Association
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Companies Act”	the Companies Act, Chapter 22, (Act 3 of 1961, as consolidated and revised) of the Cayman Islands

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“Company”	Jiyi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Consultation Conclusions”	“Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment” published on 29 July 2022
“controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares bought back under the Share Buy-back Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Eligible Person(s)”	(1) Under the existing Share Option Scheme means: <ul style="list-style-type: none">(a) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;(b) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and(c) any advisers, consultants, suppliers, customers, distributors who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

DEFINITIONS

- (2) Under the Amended Share Option Scheme means:
- (a) any full-time or part-time employee of any member of the Group; and
 - (b) any director (including executive, non-executive or independent non-executive directors) and chief executive officers of any member of the Group.

(With reference to the Amended Share Option Scheme, the definition of “**Eligible Person(s)**” is interchangeable with “**Employee Participant(s)**”)

“Group”	the Company and its subsidiaries
“Grantee(s)”	any Eligible Person(s) who accepts an offer of Share Options in accordance with the terms of the Amended Share Option Scheme or (where the context so permits) his personal representative(s) who is/are entitled to any Share Option in consequence of the death of the original Grantee
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution
“Latest Practicable Date”	25 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	nomination committee of the Company

DEFINITIONS

“Option Period”	the period for the exercise of a Share Option to be notified by the Board to the Grantee in the offer of the grant of a Share Option made in accordance with the Share Option Scheme and/or the Amended Share Option Scheme (as the case may be); but in any event shall not exceed 10 years from such date of offer
“Proposed Amendments”	the proposed amendments in relation to the Share Option Scheme, details of which are set out in this circular
“Remuneration Committee”	remuneration committee of the Company
“PRC”	the People’s Republic of China
“Scheme Mandate Limit”	the maximum number of Shares which may be issued in respect of all Share Options or awards to be granted under the Share Option Scheme and/or the Amended Share Option Scheme (as the case may be) or any other share schemes which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
”Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to buy back Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution

DEFINITIONS

“Share Consolidation”	such share consolidation which was applicable to the Shares and became effective on 13 December 2022 (details of which are set out in (i) the announcements of the Company dated 4 November 2022 and 9 December 2022 respectively in relation to, among other things, the capital reorganisation of the Company; (ii) the circular of the Company dated 24 November 2022 in relation to the Company’s extraordinary general meeting held on 9 December 2022; and (iii) the announcement of the Company dated 9 December 2022 regarding, amongst other things, the poll results of the Company’s extraordinary general meeting held on 9 December 2022.)
“Share Option(s)”	the share option(s) of the Company granted or to be granted to the Eligible Persons pursuant to the Share Option Scheme and/or the Amended Share Option Scheme (as the case may be)
“Share Option Scheme”	the Company’s share option scheme adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 6 October 2015 and as further amended (and if applicable, approved by the Shareholders) from time to time
“share scheme(s)”	shall have the meaning ascribed thereto under Chapter 17 of the Listing Rules
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



Ji Yi Holdings Limited 集一控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

Executive Directors:

Ms. Hou Wei (*Chairlady*)

Mr. Liu Xianxiu

Mr. Yang Baikang

Non-executive Director:

Mr. Hou Bo

Independent non-executive Directors:

Mr. Ye Yihui

Mr. Ho Hin Yip

Mr. Hou Lianchang

Registered office:

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 912, 9th Floor

Tai Yau Building

181 Johnston Road

Wanchai, Hong Kong

28 April 2023

To the Shareholders

Dear Sirs or Madams

PROPOSALS ON

**(1) THE GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES;**

(2) RETIREMENT AND RE-ELECTION OF DIRECTORS;

(3) RE-APPOINTMENT OF AUDITOR OF THE COMPANY;

(4) AMENDMENTS TO SHARE OPTION SCHEME;

(5) REFRESHMENT OF SCHEME MANDATE LIMIT;

AND

(6) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the notice of AGM and information regarding the resolutions to be proposed at the AGM relating to, among other things, (i) the grant of the Issue Mandate to the Directors; (ii) the grant of the Share Buy-back Mandate to the Directors; (iii) the grant of the Extension Mandate to the Directors; (iv) the retirement and re-election of Directors; (v) the re-appointment of the Company's auditor and authorization of the Board to fix its remuneration; (vi) amendments to the Share Option Scheme; and (vii) the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

THE ISSUE MANDATE

The Company's existing mandate to allot and issue new Shares was approved by the Shareholders at the annual general meeting of the Company held on 2 June 2022. Unless otherwise renewed, the existing mandate to allot and issue new Shares will lapse at the conclusion of the AGM.

In order to ensure flexibility when it is desirable to allot and issue or otherwise deal with additional Shares, at the AGM, ordinary resolutions will be proposed, including that the Directors be granted a general and unconditional mandate to exercise all powers of the Company (i) to allot, issue and otherwise deal with new Shares up to, in aggregate, 20% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution; and (ii) to increase the aggregate nominal amount of share capital of the Company which may be issued under the Issue Mandate by adding thereto the aggregate nominal amount of the share capital of the Company repurchased under the Share Buy-back Mandate. For further details, please refer to ordinary resolutions no. 5 and no. 7 as respectively set out in the notice of the AGM.

As at the Latest Practicable Date, there was a total of 263,765,522 Shares in issue. Subject to the passing of the proposed resolution for approving the Issue Mandate to the Directors, and on the basis that no other Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 52,753,104 new Shares.

THE SHARE BUY-BACK MANDATE

The Company's existing mandate to repurchase Shares was approved by the Shareholders at the annual general meeting of the Company held on 2 June 2022. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

In order to seek the approval of the Shareholders to grant the Share Buy-back Mandate, at the AGM, an ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase the Shares on the Stock Exchange, in aggregate, 10% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. For further details, please refer to ordinary resolution no. 6 as set out in the notice of the AGM. Subject to the passing of the proposed resolution granting the Share Buy-back Mandate to the Directors, and on the basis that there were 263,765,522 issued Shares as at the Latest Practicable Date and no Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Buy-back Mandate to repurchase a maximum of 26,376,552 Shares.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Share Buy-back Mandate at the AGM. An explanatory statement in relation to the Share Buy-back Mandate is set out pursuant to Rule 10.06(1)(b) of the Listing Rules in Appendix I to this circular.

As at the Latest Practicable Date, the Directors have no immediate plan to allot and issue any new Shares pursuant to the Issue Mandate and, subject to the passing of the ordinary resolution by the Shareholders at the AGM, on the date of the AGM. With reference to the Share Buy-back Mandate, the Directors have no immediate plan to repurchase any Shares pursuant thereof.

The Issue Mandate and the Share Buy-back Mandate shall continue to be in force during the period from the date of passing of the ordinary resolutions for the approval of the Issue Mandate and the Share Buy-back Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of association or any applicable law to be held; or (iii) the revocation or variation of the Issue Mandate or the Share Buy-back Mandate (as the case may be) by ordinary resolutions of the Shareholders at a general meeting of the Company, whichever occurs first.

THE EXTENSION MANDATE

In addition, an ordinary resolution will be proposed at the AGM for the granting of the Extension Mandate, i.e. to increase the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Share Buy-back Mandate.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Pursuant to Article 112 of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as additional Director to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his or her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

LETTER FROM THE BOARD

Pursuant to Article 108(a) of the Articles of Association, at each 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 be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Accordingly, Mr. Liu Xianxiu, Mr. Yang Baikang and Mr. Ye Yihui shall retire from office as Directors at the AGM. All of the retiring Directors, being eligible, will offer themselves for re-election at the same meeting.

The biographical details of the above-mentioned retiring Directors who are subject to re-election at the AGM are set out in Appendix II to this circular.

Nomination Procedure

The Nomination Committee will consider the following criteria in identifying and evaluating suitable candidates for directorships, including but not limited to the candidates' character and integrity, skills and experience, education background, professional knowledge and qualifications, time commitments, and also the alignment with the Company's culture and strategic visions as well as other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules, and for the candidate who is to be appointed as an independent non-executive Director, he/she should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended by the Nomination Committee to the Board for approval.

Recommendation of the Nomination Committee

The nomination committee has considered the suitability of Mr. Liu Xianxiu and Mr. Yang Baikang to be re-elected as the executive Directors and is of the view that both Mr. Liu Xianxiu and Mr. Yang Baikang have demonstrated the required ability and experience to continuously fulfil their respective role as the executive Directors effectively, given their respective extensive industry experience, familiarity with the operations of the Company, and contribution and commitment to the Company in the past years.

The Nomination Committee has also evaluated Mr. Ye Yihui's performance and is satisfied with Mr. Ye Yihui's valuable contributions to the Company which he has demonstrated strong ability to provide independent, balanced and objective view and advice to the Company. Furthermore, based on the board diversity policy adopted by the Company, the Nomination Committee considers that Mr. Ye Yihui can contribute to the diversity of the Board. Moreover, the Nomination Committee has assessed and reviewed the independence of each of the independent non-executive Directors, including Mr. Ye Yihui, and had obtained written confirmation on the independence to the Company from them in pursuance of the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that Mr. Ye Yihui and other independent non-executive Directors remain independent.

LETTER FROM THE BOARD

The Board believed that the re-election of Mr. Liu Xianxiu and Mr. Yang Baikang as executive Directors, and Mr. Ye Yihui as the independent non-executive Director would be in the best interest of the Company and its Shareholders as a whole.

PROPOSED RE-APPOINTMENT OF AUDITOR OF THE COMPANY

McMillan Woods (Hong Kong) CPA Limited will retire as the auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment. The Board, upon the recommendation of the audit committee of the Company, proposed to re-appoint McMillan Woods (Hong Kong) CPA Limited as auditor of the Company to hold office until the conclusion of the next annual general meeting. A resolution will also be proposed to authorise the Board to fix the auditor's remuneration. McMillan Woods (Hong Kong) CPA Limited has indicated its willingness to be re-appointed as the Company's auditor for the said period.

AMENDMENTS TO THE SHARE OPTION SCHEME

The Share Option Scheme was adopted on 6 October 2015. The purpose of the Share Option Scheme is to recognise, motivate and provide incentives to those who make contributions to the Group, with the aim to attract and retain the best available personnel by providing additional incentive and to promote the success of the business of the Group.

The Proposed Amendments aim to, among other things, (i) amend the Share Option Scheme to align with the Amended Rules, implementing the proposals of the Consultation Conclusions; and (ii) make certain minor housekeeping amendments to the Share Option Scheme in the Amended Share Option Scheme for the purpose of making consequential amendments in line with the Proposed Amendments and align the wording with that of the Amended Rules:

The Proposed Amendments are summarised as follows:

- (A) Share Options under the Amended Share Option Scheme may be granted to the employees, directors and chief executive officers of the Company and its subsidiaries;
- (B) Shareholders' approval may be sought by the Company in general meeting for refreshing the Scheme Mandate Limit under the Amended Share Option Scheme after three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of the adoption of the Proposed Amendments for the Share Option Scheme), such refreshment within the aforementioned three-year period must be approved by Shareholders subject to the requirements under Rule 17.03C(1) of the Listing Rules;
- (C) to require approval by the Shareholders in general meeting according to the requirements under Rule 17.03D(1) of the Listing Rules, for grant of Share Options over new Shares to an individual participant if the number of Shares which may be allotted and issued in respect of all Share Options and awards granted under the share schemes (which include the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable) to an individual participant will exceed 1% of the issued share capital of the Company in any 12-month period (i.e. the 1% Individual Limit);

LETTER FROM THE BOARD

- (D) to require approval by the Shareholders in general meeting according to the requirements under Rule 17.04(4) of the Listing Rules, for grant of Share Options over new Shares to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, if the number of Shares which may be allotted and issued in respect of all Share Options and awards granted under the share schemes (which include the Amended Share Option Scheme and all other share schemes (as defined under the Listing Rules), where applicable) to any of the above Grantees, or any of their respective associates, will exceed 0.1% of the issued share capital of the Company in any 12-month period;
- (E) to revise the vesting period to no less than 12 months, where under specific and limited circumstances, the Remuneration Committee shall have the authority to determine that the granting of Share Options to Employee Participants may subject to shorter vesting period. Such circumstances only include:
 - (i) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
 - (ii) grants of Share Options with performance-based vesting conditions provided in the Amended Share Option Scheme, in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months; and
 - (iii) grants of Share Options with a mixed or accelerated vesting schedule such that the Share Options may vest evenly over a period of 12 months, which provides flexibility for the Company in granting Share Options under such vesting schedule spreading evenly over 12 months starting from the date of grant, which may result in some of the Share Options being vested within 12 months,
- (F) subject to the Stock Exchange granting the necessary waiver, a Grantee may transfer to a vehicle for the benefit of the Grantee and any family members of such Grantee that would continue to meet the purpose of the Amended Share Option Scheme and comply with other requirements of the Amended Rules; and
- (G) to include other house-keeping amendments for the purpose of making consequential amendments in line with the Proposed Amendments, and to better align the wordings with that of the Amended Rules.

The principal terms of the Amended Share Option Scheme are set out in Appendix III to this circular. The Board considers that the Proposed Amendments are in compliance with the requirements under the Amended Rules.

LETTER FROM THE BOARD

The provisions of the Amended Share Option Scheme have clearly stated that it shall be for the exclusive benefit of the Eligible Persons, and the Company believes that this aligns with the intention of the Group of providing incentives to all those who contributes to the development and growth of the Group.

The terms of the Amended Share Option Scheme allow the Company to, where it considers appropriate, specify a minimum vesting period and performance targets which must be achieved before Share Options can be vested or exercised by a Grantee, and the performance targets are offered to each Eligible Person on a case-by-case basis as meaningful incentive to contribute and work better for the long-term growth and profitability of the Group. The Amended Share Option Scheme have also set out clawback mechanisms where the Company would be able to clawback the incentives granted to such Grantees.

While the revision of the vesting period of the Share Options to become no less than 12 months means to align with the amendments contemplated under Rule 17.03F of the Listing Rules, the Directors and the Remuneration Committee are of the view that the discretion in allowing a shorter vesting period under the limited and exhaustive circumstances as detailed above is appropriate, reasonable and in line with the requirements under the Listing Rules. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant Share Options in exceptional circumstances where justified, which is in line with the purpose of the Amended Share Option Scheme.

Furthermore, the basis for the determination of the exercise price of the Share Options has been set out in the Amended Share Option Scheme and such basis is determined in accordance with the Listing Rules.

The Company believes that the mechanism of the Amended Share Option Scheme as described above will provide it with flexibility in setting the terms and conditions of the Share Options which are the most appropriate taking into account the individual circumstances of the relevant Eligible Persons and therefore can facilitate the Company's aim to offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group, and hence aligns with the purpose of the Amended Share Option Scheme.

As at the Latest Practicable Date, there are 7,423,600 Share Options with the exercise price of HK\$2.80 being outstanding, and there are no intention to grant any Share Options to any Eligible Persons including those who may require the approval by the Shareholders in the AGM pursuant to this circular pursuant to Rule 17.04 of the Listing Rules.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 6 October 2015. Apart from the Share Option Scheme, the Company has no other share schemes currently in force. When the Share Option Scheme was adopted, the Scheme Mandate Limit approved by the Shareholders was 36,000,000 Shares (being 10% of the Shares in issue as at the date of listing of the Shares on the Stock Exchange).

The Scheme Mandate Limit was last refreshed on 30 May 2019, and as at the Latest Practicable Date, the Scheme Mandate Limit for the Share Option Scheme and all other share schemes of the Company remained to be a maximum number of 13,824,000 Shares (as adjusted upon the Share Consolidation taking effect on 13 December 2022). During the period from 30 May 2019 to the Latest Practicable Date, 13,820,000 Share Options (as adjusted upon the Share Consolidation taking effect on 13 December 2022) were granted to the Eligible Persons under the Share Option Scheme. As at the Latest Practicable Date, a total of 7,423,600 Share Options (as adjusted upon the Share Consolidation taking effect on 13 December 2022) were outstanding entitling the holders thereof to subscribe for 7,423,600 Shares, representing 2.81% of the number of Shares in issue. Save and except as disclosed above, there were no Share Options cancelled, lapsed or outstanding under the Share Option Scheme.

A total of 13,820,000 Share Options (as adjusted upon the Share Consolidation taking effect on 13 December 2022) were granted under the existing Scheme Mandate Limit. With an approximate 99.97% utilisation rate of the existing Scheme Mandate Limit, the Board proposes to refresh the Scheme Mandate Limit.

The Board considers that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole as it provides more flexibility for the Company to motivate Eligible Persons for their future contributions to the Group and/or to reward them for their past contributions, and to maintain on-going relationships with them.

As at the Latest Practicable Date, there were 263,765,522 Shares in issue. If the Scheme Mandate Limit is refreshed and assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the AGM, the maximum number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and other share schemes of the Company will be 26,376,552 Shares, being 10% of the Shares in issue as at the Latest Practicable Date. Currently the Company has no intention to grant any Share Options under the refreshed Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (ii) the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be allotted and issued pursuant to the exercise of the Share Options that may be granted under the Scheme Mandate Limit so refreshed.

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Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the Share Options that may be granted under the refreshed Scheme Mandate Limit.

AGM AND PROXY ARRANGEMENT

A notice convening the AGM (as defined herein) of Jiye Holdings Limited to be held at Room 6303, Block A, Jingji Binhe Shidai Building, Futian District, Shenzhen, PRC (中國深圳市福田区京基濱河時代大廈A座6303室) on Friday, 2 June 2023, at 11:00 a.m. is set out on pages AGM-1 to AGM-8 of this circular.

At the AGM, in addition to the ordinary businesses of the meeting, resolutions will be proposed for approval on the proposed Issue Mandate, the Share Buy-back Mandate, the Extension Mandate, the proposed amendments to the Share Option Scheme and the proposed refreshment of the Scheme Mandate Limit.

A form of proxy for use at the AGM is enclosed with this circular and is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the AGM and at any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 29 May 2023.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible after the AGM in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Board is pleased to recommend all of the retiring Directors to stand for re-election by Shareholders as Directors. The Directors also consider that the proposed resolutions set out in the notice of AGM, including the grant of the Issue Mandate, the Share Buy-back Mandate, the Extension Mandate, the proposed amendments to the Share Option Scheme and the proposed refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole. The necessary information for seeking the Shareholders' approval on the proposed matters is already set out herein for consideration. Accordingly, the Directors recommend all the Shareholders to vote in favour of the said ordinary resolutions and special resolution to be proposed at the AGM.

DOCUMENT AVAILABLE FOR INSPECTION

The full terms of the Amended Share Option Scheme will be published on the website of the Stock Exchange and the website of the Company for a period of 14 days before the date of the AGM (including the date of the AGM) and can be inspected at the AGM.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

MISCELLANEOUS

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

Yours faithfully,
For and on behalf of the Board of
Jiyi Holdings Limited
Hou Wei
Chairlady

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to Shareholders in connection with the Share Buy-back Mandate.

1. SHARE IN ISSUE

As at the Latest Practicable Date, the issued share capital of the Company comprised a total of 263,765,522 Shares.

Subject to the passing of the relevant ordinary resolution at the AGM approving the Share Buy-back Mandate and on the basis that no further Shares will be issued or bought back prior to the AGM, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 26,376,552 Shares.

2. REASONS FOR PROPOSED BUY-BACK OF SHARES

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to buy back the Shares on the Stock Exchange. Such buy-backs 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 back will benefit the Company and the Shareholders as a whole. The Directors have no present intention to buy back any Shares.

3. SOURCE OF FUNDS

In buying back Shares, the Company will only apply funds legally available for such purpose in accordance with the Listing Rules, its Articles of Association, the laws of the Cayman Islands and other applicable laws.

A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Companies Act, any buy-back by the Company may be made out of profits of the Company, out of the Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back or, if authorised by the Articles of Association and subject to the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be bought back must be provided for out of either or both of the profits or the share premium account of the Company, or, if authorised by the Articles of Association and subject to the Companies Act, out of capital.

4. EFFECT OF EXERCISING THE SHARE BUY-BACK MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2022) in the event that the Share Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Share 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 levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors nor, any of their close associates have a present intention to sell Shares to the Company if the Share Buy-back Mandate is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make buy-back of Shares.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules, the Articles of Association, the laws of the Cayman Islands and other applicable laws.

7. TAKEOVERS CODE IMPLICATIONS

If, as a result of a buy-back of Shares, pursuant to the Share Buy-back Mandate, 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 Rule 32 of the Takeovers Code.

As a result, a Shareholder, or a group of Shareholders acting in concert (within that term's meaning under the Takeovers Code), 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.

APPENDIX I

EXPLANATORY STATEMENT FOR THE SHARE BUY-BACK MANDATE

As at the Latest Practicable Date, to the best of knowledge, information and belief of the Directors, the following Shareholder(s) is/are interested in more than 5% of the Shares then in issue:

Name of Shareholder(s)	Number of Shares held as at the Latest Practicable Date	Approximate percentage of holding as at the Latest Practicable Date	Approximate percentage of holding if the Share Buy-back Mandate is exercised in full
Xinling Limited (“ Xinling ”) (Note 1) (Note 4)	89,839,673 ^(L)	34.06%	37.84%
Hou Wei (“ Ms. Hou ”) (Note 1) (Note 4)	109,790,286 ^(L)	41.62%	46.25%
Yiju Holdings Limited (“ Yiju Holdings ”) (Note 2) (Note 4)	11,052,600 ^(L)	4.19%	4.66%
Ms. Ouyang Huiping (“ Ms. Ouyang ”) (Note 2) (Note 4)	11,052,600 ^(L)	4.19%	4.66%
Jiesi Global Investment Limited (“ Jiesi Global ”) (Note 3) (Note 4)	1,112,400 ^(L)	0.42%	0.47%
Mr. Hou Bo (“ Mr. Hou ”) (Note 3) (Note 4)	1,332,400 ^(L)	0.51%	0.56%
Mr. Wei Jiancun (“ Mr. Wei ”) (Note 4)	11,295,000 ^(L)	4.28%	4.76%
Ms. Deng Yiyi (Note 4)	722,000 ^(L)	0.27%	0.30%

Notes:

- Ms. Hou was beneficially interested in 100% of the issued share capital of Xinling. Xinling was the registered holder of 89,839,673 Shares. Under Part XV of the SFO, together with 19,950,613 Shares which were beneficially owned by Ms. Hou, she is therefore deemed to be interested in 109,790,286 Shares.
- Ms. Ouyang was beneficially interested in 100% of the issued share capital of Yiju Holdings. Yiju Holdings was the registered holder of 11,052,600 Shares. Under Part XV of the SFO, Ms. Ouyang was therefore deemed to be interested in 11,052,600 Shares in which Yiju Holdings was interested.
- Mr. Hou was beneficially interested in 100% of the issued share capital of Jiesi Global. Jiesi Global was the registered holder of 1,112,400 Shares. Under Part XV of the SFO, together with 220,000 Shares which were beneficially owned by Mr. Hou, Mr. Hou was therefore deemed to be interested in 1,332,400 Shares in which Jiesi Global was interested.
- Ms. Hou, Ms. Ouyang, Mr. Hou, Mr. Wei and Ms. Deng Yiyi, being parties acting in concert, are collectively deemed to be interested in 134,192,486 Shares, representing 50.9% of the total issued share capital of the Company as at the Latest Practicable Date.

In the event that the Directors shall exercise in full the Share Buy-back Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column of the table above (assuming that the number of Shares then held by each of such Shareholders and the then number of total Shares then in issue remain the same).

The Directors are not aware of such increases would give rise to an obligation to or any other Shareholder or group of Shareholders acting in concert may become obliged to, make a mandatory offer under the Takeovers Codes if the Share Buy-back Mandate is to be exercised in full.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a buy-back, an exercise of the Share Buy-back Mandate whether in whole or in part will not result in less than the relevant prescribed minimum percentage of the Shares being by the public as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Share Buy-back Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

8. SHARES BUY-BACK MADE BY THE COMPANY

The Company has not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve (12) calendar months immediately preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	4.20	3.35
May	3.40	2.50
June	3.30	2.50
July	3.10	2.70
August	2.85	2.325
September	2.35	0.34
October	0.445	0.215
November	0.225	0.16
December	0.245	0.17
2023		
January	0.217	0.184
February	0.247	0.20
March	0.219	0.188
April (up to the Latest Practicable Date)	0.196	0.186

10. CONFIRMATION

The Company confirms that this explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules and that neither this explanatory statement nor the Repurchase Mandate has any unusual features.

EXECUTIVE DIRECTORS**Mr. Liu Xianxiu**

Mr. Liu Xianxiu (“**Mr. Liu**”), aged 50, was appointed as an executive Director on 5 June 2015. He is primarily responsible for overall internal control and internal audit affairs of the Group. He joined the Group in July 2011 and served as an account manager and warehouse logistics manager of Guangdong Jiyi Household Building Materials Chain Co., Ltd. (“**Guangdong Jiyi Household**”) until February 2013, primarily responsible for accounting and auditing and management of warehouse logistics. He was re-designated as a deputy chief financial officer of Guangdong Jiyi Household from March 2013 to June 2013, and was appointed as the chief financial officer of Guangdong Jiyi Household in July 2013, primarily responsible for the overall management of financial affairs. He was re-designated as the chief internal audit officer of Jiyi Household in September 2017, primarily responsible for the overall internal control and internal audit affairs. Prior to joining the Group, from July 1995 to November 2001, he served as the accountant of Meizhou Gas Company Limited (梅州市管道煤氣有限公司), a company which is principally engaged in supply of town gas in Meizhou, where he was primarily responsible for accounting. From November 2001 to November 2004, he was the finance manager of Meizhou Yanming Lake Tourist Resorts Company Limited (梅縣雁鳴湖旅遊度假村有限公司), a company which is principally engaged in the management of Yanming Lake Tourist Resorts (雁鳴湖旅遊度假村), primarily responsible for accounting and finance of such company. From November 2004 to July 2011, he served as the head of finance of Meizhou New Weima Ceramics Company Limited (梅州市新威馬陶瓷有限公司), a company which is principally engaged in the production of ceramics, primarily responsible for accounting and finance of such company. Mr. Liu received his diploma in financial management and computer application from South China Agricultural University (華南農業大學) in the PRC in July 1995. He received his qualification certificate of specialty and technology (intermediate accounting) (專業技術資格證書(中級會計)) from the Ministry of Finance of the PRC in May 2002. Mr. Liu did not hold any other directorships in any other publicly listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Liu has entered into a service agreement with the Company regarding his appointment as an executive Director for a term of 3 years commencing from 6 October 2021, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. The service agreement may be terminated by either party by giving three months’ prior written notice. Mr. Liu is entitled to a director’s fee of HK\$240,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation. He may also be paid a discretionary bonus, at the Board’s discretion depending upon the Company’s and his own performance.

As at the Latest Practicable Date, Mr. Liu has a beneficial interest in 200,000 underlying shares deriving from the share options granted on 27 July 2022 under the share option scheme of the Company. Save as disclosed above, Mr. Liu does not have any other interest in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). There are no other matters relating to the re-election of Mr. Liu that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Yang Baikang

Mr. Yang Baikang (“**Mr. Yang**”), aged 57, was appointed as our executive Director on 7 November 2018. He has been the vice president of the Company since 1 November 2017 and is primarily responsible for overseeing the engineering services business of the Company’s subsidiary in the PRC. Mr. Yang served in various positions in different government departments in Meizhou City, Guangdong Province, PRC. He served as the deputy mayor of the People’s Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from December 1995 to March 1999; he served as the deputy secretary of the Party Committee (黨委副書記) of the People’s Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from March 1999 to July 2002; he also served as the mayor of the People’s Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from December 2000 to July 2002; he served as the deputy director of the Meizhou Municipal Real Estate Administration Bureau (梅州市房產管理局) from July 2002 to June 2007; he served as deputy director of the Meizhou Municipal Construction Bureau (梅州市建設局) from June 2007 to February 2010; and he served as deputy director of Meizhou Municipal Housing and Urban-Rural Development Bureau (梅州市住房和城鄉建設局) from February 2010 to July 2016. He obtained his diploma in political history from Jiaying Normal College (嘉應師範專科學校) in July 1986. He obtained his graduation certificate in economic management from CPC Guangdong Provincial Party School (中共廣東省委黨校) in December 2000 and obtained his graduation certificate of the postgraduate course for world economy and political majors from Graduate School of Renmin University of China (中國人民大學研究生院) in June 2002. Mr. Yang did not hold any other directorships in any other publicly listed companies in the last three years. Save as disclosed above, Mr. Yang does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Yang has entered into an appointment letter with the Company regarding his appointment as an executive Director for a term of 3 years commencing from 7 November 2021, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. The appointment letter may be terminated by either party giving three months' prior written notice or payment in lieu. Mr. Yang is entitled to a director's fee of HK\$240,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

As at the Latest Practicable date, Mr. Yang has a beneficial interest in 240,000 underlying shares, of which 200,000 underlying shares are deriving from the share options granted on 27 July 2022 under the share option scheme of the Company. Save as disclosed above, Mr. Yang does not have any other interest in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). There are no other matters relating to the re-election of Mr. Yang that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Ye Yihui

Mr. Ye Yihui ("**Mr. Ye**"), aged 59, was appointed as an independent non-executive Director on 6 October 2015. He has been the independent director of Jiyi Household Building Materials Chain Co., Ltd. ("**Jiyi Household**") from July 2013, primarily responsible for providing independent view and advice to the board of directors of Jiyi Household including the effectiveness of the internal control system and the audit process of Jiyi Household. Mr. Ye has over 28 years of experience in areas of finance, audit and tax. Prior to joining the Group, Mr. Ye served in various positions where he was primarily responsible for the overall management of financial affairs, operations and audit management. He worked with the Audit Bureau of Meizhou Province from 1988 to 1998, and during 1995 to 1998, he served as the supervisor, where he was primarily responsible for the audit of finance and infrastructure projects; he was appointed as the deputy manager of Zhuhai Huacheng Certified Public Accountants from February 2001, where he was primarily responsible for the management of financial affairs and operation; and he was appointed as the manager of Meizhou Zhengde Tax Agent Office from November 2010, where he was primarily responsible for the overall management and operation. He received his diploma in economics and industrial enterprise management from Guangdong Radio and TV University now known as the Open University of Guangdong in the PRC in July 1986 and his diploma in economic management from CPC Guangdong Provincial Party Committee Party School in the PRC in July 2005 through a distance learning course. He is an auditor registered with the National Audit Office

of the PRC since November 1992 and an accountant registered with Ministry of Finance of the PRC since December 1992. He has been admitted as a registered certified public accountant of Chinese Institute of Certified Public Accountants since April 1996 and a registered tax agent of Management Center of Certified Tax Agent of Guangdong Province since June 1999. He has been a member of the Council of Management Center of Certified Tax Agent of Guangdong Province since March 2011. Mr. Ye did not hold any other directorships in any other publicly listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Ye has entered into an appointment letter with the Company regarding his appointment as an independent non-executive Director for a term of 3 years commencing from 6 November 2021, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Articles of Association. The appointment letter may be terminated by either party giving three months' prior written notice or payment in lieu. Mr. Ye is entitled to a director's fee of HK\$120,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

As at the Latest Practicable Date, Mr. Ye has a beneficial interest in 220,000 underlying shares, of which 200,000 underlying shares are deriving from the share options granted on 27 July 2022. Save as disclosed above, Mr. Ye does not have any other interest in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). There are no other matters relating to the re-election of Mr. Ye that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The following is a summary of the principal terms of the Amended Share Option Scheme with the proposed to be adopted at the AGM but does not form part of, nor was it intended to be, part of the Amended Share Option Scheme nor should it be taken as affecting the interpretation of the Amended Share Option Scheme:

1. PURPOSE OF THE AMENDED SHARE OPTION SCHEME

The Amended Share Option Scheme aiming to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their performance, efficiency and future contributions to the Group and/or to recognize, reward and acknowledge them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be important to the long-term growth and profitability of the Group. The Amended Share Option Scheme is established with the view to, in light of the above, enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

2. WHO MAY JOIN AND BASIS OF ELIGIBILITY

The basis of eligibility of any of the class of the Eligible Persons to the grant of any Share Options shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time at its/their absolute discretion on the basis of his/her contribution or potential contribution to the development and growth of the Group. Such Eligible Person(s) include:

- (a) any full-time or part-time employee of the Company and its subsidiaries; and
- (b) any director (including executive, non-executive or independent non-executive directors) and chief executive officers of the Company and its subsidiaries,

(the person(s) referred to above are the “**Employee Participant(s)**” or the “**Eligible Person(s)**”, for the avoidance of doubt, the Employee Participants include persons who are granted Share Options under the Amended Share Option Scheme as an inducement to enter into employment contract(s) with the Company and its subsidiaries)

3. MAXIMUM NUMBER OF THE SHARES

The maximum number of Shares which may be issued in respect of all Share Options or awards to be granted under the Scheme and any other share schemes (as defined under the Listing Rules) shall not in aggregate exceed 10% of the Shares in issue as at the adoption date of the Scheme (the “**Scheme Mandate Limit**”), or such other date when the Scheme Mandate Limit was last refreshed. Share Options lapsed in accordance with the terms of the Amended Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Share Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the Amended Share Option Scheme after three years from the date of Shareholders’ approval for the last refreshment (or, as the case may be, the adoption of the Proposed Amendments on the Share Option Scheme).

Any refreshment within any three-year period must be approved by the Shareholders subject to the following provisions:

- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting of the Company; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules or such other provisions as required under Rule 17.03C of the Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all Share Options or awards to be granted under all share schemes (including the Amended Share Option Scheme and such other share schemes as defined under the Listing Rules) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Share Options that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

The Company may seek separate approval by the Shareholders in general meeting for granting Share Options beyond the Scheme Mandate Limit provided the Share Options in excess of the limit are granted only to the Eligible Persons specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Persons who may be granted such Share Options, the number and terms of the Share Options to be granted to each Eligible Person, and the purpose of granting Share Options to the specified Eligible Persons with an explanation as to how the terms of the Share Options serve such purpose, and such other information required under the Listing Rules, within such time as may be specified in the Listing Rules. The number and terms of Share Options to be granted to such Eligible Persons must be fixed before Shareholders' approval. In respect of any Share Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The maximum entitlement of Share Options of each Eligible Person under the Amended Share Option Scheme shall not exceed 1% of the Shares of the Company (i.e. 2,637,655 Shares as at the Latest Practicable Date). Where any grant of Share Options under the Amended Share Option Scheme to an Eligible Person would result in the Shares issued and to be issued in respect of all Share Options and awards granted under the share schemes of the Company (including the Amended Share Option Scheme and any other share schemes of the Company (as defined under the Listing Rules), where applicable, but excluding any Share Option lapsed in accordance with the terms of the Amended Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue (i.e. the 1% Individual Limit), such grant must be separately approved by Shareholders of the Company in general meeting with such Eligible Person and his/her close associates (or associates if the Eligible Person is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Eligible Person, the number and terms of the Share Options to be granted (and those previously granted to such Eligible Person in the 12-month period), the purpose of granting Share Options to the Eligible Person and an explanation as to how the terms of the Share Options serve such purpose, and such other information required under the Listing Rules, within such time as may be specified in the Listing Rules. The number and terms of the Share Options to be granted to such Eligible Person must be fixed before Shareholders' approval. In respect of any Share Options to be granted, the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

5. OFFER AND GRANT OF SHARE OPTIONS

Subject to the terms of the Amended Share Option Scheme, the Board shall be entitled at any time within ten (10) years from the date of the adoption of the Share Option Scheme to offer the grant of a Share Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the exercise price for such number of Shares as the Board may (subject to the terms of the Amended Share Option Scheme) determine.

6. GRANT OF THE SHARE OPTIONS TO CONNECTED PERSONS

Subject to the terms in the Amended Share Option Scheme, each grant of the Share Options and awards granted under the share schemes of the Company (which include the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable) to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder, or any of their respective associates, under the Amended Share Option Scheme or any other share schemes (as defined under the Listing Rules) shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a Grantee).

Where any grant of Share Options under the Amended Share Option Scheme to independent non-executive Director or a substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Share Options and awards granted under the share schemes of the Company (including the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable, but excluding any Share Option lapsed in accordance with the terms of the Amended Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of the Share Options must be approved by the Shareholders of the Company in general meeting. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41, 13.42 and 17.04 of the Listing Rules. The Company must send a circular to the Shareholders, with such grant of Share Options being subject to the issue of a circular by the Company and such circular to be issued to the Shareholders pursuant to this subparagraph shall contain the following information:

- (i) details of the number and terms (including the Option Period, vesting period of the Share Options, performance targets (if any), such amount, if any, payable on application or acceptance of the Share Options, basis of determination of subscription price and the rights attached to the Share Options, relevant rights with respect to voting and dividend on Share Options and clawback mechanism with respect to the Share Options (if any)) of the Share Options to be granted to each such substantial Shareholder or independent non-executive Director, or any of their respective associates, which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price as contemplated under paragraph 10;
- (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) as to whether the granting terms of the Share Options are fair and reasonable and whether such grant is in the interests of the Company and its shareholders as a whole, together with a recommendation from such independent non-executive Directors to the independent Shareholders as to voting;
- (iii) the information required under Rules 17.02(2)(c) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of Share Options granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 17.04 of the Listing Rule if the initial grant of the Share Options requires such approval (except where the changes take effect automatically under the existing terms of the Amended Share Option Scheme).

7. RESTRICTION ON THE TIME OF GRANT OF THE SHARE OPTIONS

The Board shall not grant any Share Options after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price sensitive information has been published in accordance with the requirements of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong). In particular, no Share Option shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approval of the results of the Company for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for publishing an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no Share Option shall be granted during any period of delay in publishing a results announcement.

Further to the restrictions in sub-paragraphs (i) and (ii) above, no Share Option may be granted on any day on which financial results of the Company are published and:

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

8. VESTING, PERFORMANCE TARGET AND CLAWBACK MECHANISM

Vesting Period of Share Options shall be no less than 12 months. The Share Options shall be vested on the 1st anniversary of the date on which a Share Option is granted to a Grantee.

Share Options granted to Employee Participants may be subject to a shorter vesting period under the following circumstances:

- (a) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (b) grants of the Share Options with performance-based vesting conditions provided in the Amended Share Option Scheme, in lieu of time-based vesting criteria; and
- (c) grants of Share Options with a mixed or accelerated vesting schedule such that the Share Options may vest evenly over a period of 12 months.

Subject as aforesaid and other provisions of the Listing Rules, the Remuneration Committee may in its absolute discretion when offering the grant of Share Options impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Amended Share Option Scheme as the Remuneration Committee may think fit (to be stated in the letter containing the offer of the grant of the Share Options) including (without prejudice to the generality of the foregoing) the achievement of any performance targets by the Grantee before the right to exercise the Share Options in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Amended Share Option Scheme.

Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit after tax) as well as that for the Employee Participants based on individual performance indicators relevant to their roles and responsibilities on a case-by-case basis (such as revenue growth rate by existing/new markets or by existing/new products, number of new product development, production yield). The Remuneration Committee will conduct assessment at the end of the performance period by comparing the performance of the business segments and the individual performance of the Employee Participants with the pre-agreed targets to determine whether the targets and the extents to which have been met.

Notwithstanding the terms and conditions of the Amended Share Option Scheme, the Directors may provide in the notice of offer that any Share Option prior to it being exercised may be subject to clawback or a longer vesting period if the Group faces any material adverse change or difficulty in its financial position or operating conditions.

The Directors may by notice in writing to the Grantee concerned (i) claw back such number of Share Options (to the extent not being exercised) granted as the Directors may consider appropriate; or (ii) extend the vesting period in relation to all or any of the Share Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Share Options which are clawed back pursuant to the above will be regarded as cancelled and the Share Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Save for the above, there is no other clawback mechanism to recover or withhold the remuneration (which may include any Share Options granted) to any Grantees in any event.

9. ACCEPTANCE OF OFFER

An offer for the grant of a Share Option shall be made to a Eligible Person by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Share Options on the terms on which it is to be granted and to be bound by the provisions of the Amended Share Option Scheme and shall remain open for acceptance by a Eligible Person concerned for a period of seven (7) days from the day on which such offer was made (inclusive of such day on which such offer was made, the “Acceptance Period”). The amount payable by the Grantee(s) to the Company on acceptance of the offer for the grant of a Share Option is HK\$1.00.

Any offer of the grant of a Share Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Share Option. To the extent that the offer of the grant of the Share Option is not accepted within the Acceptance Period, it will be deemed to have been irrevocably declined.

10. SUBSCRIPTION PRICE FOR SUBSCRIPTION OF THE SHARES

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option (and shall be stated in the letter containing the offer of the grant of the Share Option) but the exercise price shall not be less than whichever is the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the date which Share Options are offered, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) Business Days immediately preceding the date which Share Options are offered; and
- (iii) the nominal value of the Share.

11. RANKING OF SHARES

Share Options granted under the Amended Share Option Scheme do not carry any right to vote in any general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company. The Shares to be allotted upon the exercise of the Share Options shall not carry any voting right until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to the aforesaid, the Shares allotted and issued upon the exercise of the Share Options will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully paid Shares in issue on the date of exercise.

12. RIGHTS ARE PERSONAL TO THE GRANTEE

The Share Options granted 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 (legal or beneficial) in favour of any third party over or in relation to any Share Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or part thereof granted to such Grantee.

Subject to the Stock Exchange granting the necessary waiver, a Grantee may transfer any Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the Amended Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules. In the event of any such transfer, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

13. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If a Grantee (as an Employee Participant) ceases to be an employee of the Company or any of its subsidiaries:

- (i) in the event that the Grantee is an Employee Participant at the date of grant and he/she subsequently ceases to be an Employee Participant for any reason other than his/her death or the termination of his/her employment on one or more of the grounds specified in paragraph 14 below, such Share Options (to the extent not already exercised) shall lapse on the expiry of one (1) month after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant subsidiary of our Group whether salary is paid in lieu of notice or not); or
- (ii) in the event of the death of the Grantee (provided that none of the events which would be a ground for termination of employment referred to in paragraph 14 below arises within a period of 3 years prior to the death, in the case the Grantee is an employee at the date of grant), the legal personal representative(s) of the Grantee may exercise the option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his/her death provided that where any of the events referred to in paragraphs 15, 16 and 17 occurs prior to his/her death or within such period of 12 months following his/her death, then his/her personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

14. RIGHTS ON DISMISSAL

If a Grantee ceases to be an employee of the Company or any of its subsidiaries on any one or more of the following grounds resulting in the termination of the Grantee's employment:

- (i) guilty of misconduct;
- (ii) has committed an act of bankruptcy or has become insolvent;
- (iii) has made any arrangement or composition with his or her creditors generally; or
- (iv) has been convicted of any criminal offence involving the Grantee's integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or its relevant subsidiary.

A resolution of the Board or the board of directors of the Company's subsidiary to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 14 shall be conclusive and binding on the Grantee. The date on which the Grantee ceases to be an employee of the Group (who is eligible to the offer of the Share Options under the Amended Share Option Scheme) by reason of the above grounds, the Share Option shall lapse automatically (to the extent not already exercised) and not be exercisable on the date of termination of the Grantee's employment.

15. RIGHTS ON A GENERAL OFFER

In the event a general or partial offer, whether by way of take-over offer or scheme of arrangement or otherwise in like manner is made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (as defined in the Takeovers Codes)), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees on comparable terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional during the Option Period of the relevant Option, a Grantee shall be entitled to exercise his or her or its Share Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her or its Share Option at any time within fourteen (14) days after the date on which the offer becomes or is declared unconditional.

16. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, as the case may be, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, which the Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

17. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and its Shareholders or the creditors of the Company being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Business Companies Act, the Company shall give notice thereof to all the Grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or the creditors to consider such a compromise or arrangement and the options (to the extent not already exercised) shall become exercisable in whole or in part on such date not later than two Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement ("*Suspension Date*"), by giving notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid. With effect from the Suspension Date, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of options hereunder shall for the purposes of such compromise or arrangement form part of the issued Shares on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Amended Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.

18. LAPSE OF THE SHARE OPTIONS

A Share Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;

- (ii) the date on which the Board exercises the Company's right to cancel the Share Options on the ground that the Grantee commits a breach with respect to paragraph 12;
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs 13, 14, 15, 16 and 17;
- (iv) subject to paragraph 16, the date of the commencement of the winding-up of the Company;
- (v) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his/her creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his/her integrity or honesty; and
- (vi) subject to paragraph 17, the date when the proposed compromise or arrangement becomes effective.

19. CANCELLATION OF THE SHARE OPTIONS GRANTED BUT NOT YET EXERCISED

Any cancellation of Share Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels Share Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the Amended Share Option Scheme with available Scheme Mandate Limit approved by Shareholders in accordance with Chapter 17 of the Listing Rules. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

20. EFFECTS OF ALTERATIONS TO CAPITAL STRUCTURE

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

- (i) the number of Shares subject to the Share Options so far as unexercised; and/or
- (ii) the exercise price of outstanding Share Options,

the auditors of or independent financial adviser to the Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the Listing Rules, or any guideline or supplemental guideline issued by the Stock Exchange from time to time (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a Grantee as near as possible the same proportion of the issued shares of our Company as that to which he/she was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

21. PERIOD OF THE AMENDED SHARE OPTION SCHEME

Subject to the terms amended under the Proposed Amendments, the period of the Share Option Scheme will be valid and effective for a period of ten years commencing on the date which the Share Option Scheme was approved and adopted by the Shareholders (i.e. 6 October 2015) and ending on the tenth anniversary of such date of adoption (both dates inclusive), unless terminated earlier by the Shareholders in a general meeting. All Share Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Amended Share Option Scheme.

22. ALTERATION TO THE AMENDED SHARE OPTION SCHEME

The Amended Share Option Scheme may be altered in any respect by resolution of the Board subject to the following:

- (i) any alterations to the terms and conditions of the Amended Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees must be approved by the Shareholders of the Company in general meeting;

- (ii) any change to the terms of Share Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Share Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). Such requirement does not apply where the alterations take effect automatically under the existing terms of the Amended Share Option Scheme;
- (iii) the amended terms of the Amended Share Option Scheme or the Share Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (iv) any change to the authority of the Directors or scheme administrators to alter the terms of the Amended Share Option Scheme, shall first be approved by a resolution by the Shareholders in general meeting.

23. ENTITLEMENT TO EXERCISE IN SPECIAL CIRCUMSTANCES

Notwithstanding any provisions under the Amended Share Option Scheme, in the event where circumstances under paragraphs 15, 16 and 17 occurred, such entitlement of the Grantees to exercise the Share Options shall remain subject to the requirements regarding vesting period under paragraph 8.

24. TERMINATION OF THE AMENDED SHARE OPTION SCHEME

The Company by resolutions in general meeting or the Board may at any time terminate the operation of the Amended Share Option Scheme and in such event no further Share Options will be offered but the Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Amended Share Option Scheme.

NOTICE OF AGM



Jiyi Holdings Limited 集一控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1495)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (“**AGM**”) of Jiyi Holdings Limited (the “**Company**”) will be held at Room 6303, Block A, Jingji Binhe Shidai Building, Futian District, Shenzhen, PRC (中國深圳市福田區京基濱河時代大廈A座6303室) on Friday, 2 June 2023 at 11:00 a.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”, and each a “**Director**”) and auditors of the Company for the year ended 31 December 2022;
2.
 - (a) To re-elect Mr. Liu Xianxiu as executive Director;
 - (b) To re-elect Mr. Yang Baikang as executive Director;
 - (c) To re-elect Mr. Ye Yihui as independent non-executive Director;
3. To authorise the board of Directors to fix the Directors’ remuneration;
4. To re-appoint McMillan Woods (Hong Kong) CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration;

NOTICE OF AGM

5. To, as special business, consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

“THAT

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.01 each (“**Shares**”) in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares of the Company) which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes, options or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares; or
 - (iii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares; or

NOTICE OF AGM

- (iv) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company pursuant to the articles of association of the Company (“**Articles of Association**”), from time to time,

shall not exceed 20 per cent of the total number of Shares in issue as at the date of passing 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 date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares of the Company open for a period fixed by the Directors to the holders of Shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any relevant jurisdiction).”

NOTICE OF AGM

6. To, as special business, consider and, if thought fit, pass the following resolution as 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 on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent of the total number of Shares in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF AGM

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

“**THAT** subject to the passing of resolutions No. 5 and 6 set out in the notice convening this AGM, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution No. 5 be and is hereby extended by the addition thereto of an amount representing the total number of Shares bought back by the Company under the authority granted pursuant to resolution No. 6, provided that such amount of Shares shall not exceed 10 per cent of the total number of Shares in issue at the date of passing this resolution.”

8. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** the proposed amendments to the existing share option scheme conditionally adopted by the Company on 6 October 2015 (the “**Share Option Scheme**”) as shown and marked up on the amended Share Option Scheme (the “**Amended Share Option Scheme**”), a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification, be and is hereby approved and the Directors of the Company be and are hereby authorised to take all such steps as they may deem necessary, desirable or expedient to carry into effect the proposed amendments to the Share Option Scheme subject to the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time).”

9. To, as special business, consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the share option scheme adopted by the Company (as amended from time to time, subject to the approval by the Shareholders), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed:

NOTICE OF AGM

- (a) approval be and is hereby granted for refreshing the 10% limit under the Share Option Scheme (the “**Scheme Mandate Limit**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme or Amended Share Option Scheme (where applicable), and any other share schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit) (the “**Refreshed Scheme Mandate Limit**”); and
- (b) the Directors be and are hereby authorised to grant options under the Share Option Scheme or Amended Share Option Scheme (where applicable) up to the Refreshed Scheme Mandate Limit, to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the Board
Jiyi Holdings Limited
Hou Wei
Chairlady

Hong Kong, 28 April 2023

NOTICE OF AGM

Notes:

1. A form of proxy for use in connection with the AGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.com.hk). Whether or not you are able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not later than 48 hours before the time designated for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.
2. Any member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the AGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, a form of appointment of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time appointed for the time appointed for holding the AGM or any adjournment thereof.
5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the AGM or any adjournment thereof in cases where the AGM was originally held within 12 months from such date.
6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
7. For determining the entitlement to attend and vote at the AGM, the register of members will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023 (both days inclusive). During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents 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 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 29 May 2023.
8. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a "black" rainstorm warning signal is in force at 8:00 a.m. on Friday, 2 June 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

NOTICE OF AGM

9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
10. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.

As at the date of this notice, Ms. Hou Wei, Mr. Liu Xianxiu and Mr. Yang Baikang are the executive Directors, Mr. Hou Bo is the non-executive Director, and Mr. Ye Yihui, Mr. Ho Hin Yip and Mr. Hou Lianchang are the independent non-executive Directors.