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HUISEN GROUP

Huisen Household International Group Limited

匯森家居國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2127)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2022**

Reference is made to the annual report of Huisen Household International Group Limited (the “**Company**”) for the year ended 31 December 2022 published on 27 April 2023 (the “**2022 Annual Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 2022 Annual Report.

In addition to the disclosures made under the section headed “SHARE OPTION SCHEME” in the Report of the Directors and note 41 to the consolidated financial statements as set out in the 2022 Annual Report, the Company would like to provide the following additional information in relation to the share option scheme of the Company to the shareholders of the Company and the potential investors pursuant to rules 17.07 and 17.09 of the Listing Rules.

The section headed “SHARE OPTION SCHEME” of the Report of the Directors shall be read as follows:

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 2 December 2020 (“**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide incentives or rewards to selected participants who contribute to the success of the Group’s operations. All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the growth of the Group are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date, with a remaining life of approximately 9 years.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date (the “**General Scheme Limit**”). As at the date of this report, the total number of Shares available for issue under the Share Option Scheme was 85,163,700 Shares, representing 2.77% of the issued share capital of the Company.

The Company may renew the General Scheme Limit with Shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time. Unless approved by the shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of: (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the date of the offer for the grant.

On 14 January 2022, for the benefit of expanding the smart furniture business segment of the Group, the Company has granted a total of 214,836,300 share options to seven eligible participants, being the external consultants of the Group in accordance with the Share Option Scheme and 30,690,900 share options was granted to each of the eligible participant at a price of HK\$1.878 per Share. For details, please refer to the announcements of the Company dated 14 January and 12 May 2022.

The total number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2022 divided by the weighted average number of Shares of the relevant class in issue (i.e. 3,069,090,000 Shares) for the year ended 31 December 2022 was 7%.

Details of movements of the options granted under the Share Option Scheme during the year ended 31 December 2022 are as follows:

Category of participants	Date of grant	Vesting date (Note 1)	Exercise period	Exercise price per Share (HK\$)	Outstanding	During the year ended 31 December 2022				Outstanding	Fair value
					as at 1 January 2022	Granted	Exercised	Cancelled	Lapsed	as at 31 December 2022	of the share options granted as at the date of grant (HK\$'000) approximately
External consultant											
Empire Core Limited	14 January 2022	16 January 2023	16 January 2023 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	15 January 2024	15 January 2024 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	14 January 2025	14 January 2025 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
東莞市華太投資諮詢服務有限公司 Dongguan Huatai Investment Consulting Service Co., Ltd.*	14 January 2022	16 January 2023	16 January 2023 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	15 January 2024	15 January 2024 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	14 January 2025	14 January 2025 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197

Category of participants	Date of grant	Vesting date (Note 1)	Exercise period	Exercise price per Share (HK\$)	Outstanding	During the year ended 31 December 2022				Outstanding	Fair value
					as at 1 January 2022	Granted	Exercised	Cancelled	Lapsed	as at 31 December 2022	of the share options granted as at the date of grant (HK\$'000) approximately
贛州橙木科技有限 公司 Ganzhou Cheng Wood Technology Co., Ltd.*	14 January 2022	16 January 2023	16 January 2023 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	15 January 2024	15 January 2024 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
	14 January 2022	14 January 2025	14 January 2025 to 14 January 2026	1.878	-	10,230,300	-	-	-	10,230,300	8,197
Cloud Mount Limited 雲登有限公司	14 January 2022	Relevant Vesting Date (Note 2)	From the Relevant Vesting Date to 14 January 2026	1.878	-	30,690,900	-	-	-	30,690,900	26,541
Dragon Win Corporation 龍盈有限公司	14 January 2022	Relevant Vesting Date (Note 2)	From the Relevant Vesting Date to 14 January 2026	1.878	-	30,690,900	-	-	-	30,690,900	23,616
Aster Blossom Limited	14 January 2022	Relevant Vesting Date (Note 2)	From the Relevant Vesting Date to 14 January 2026	1.878	-	30,690,900	-	-	-	30,690,900	23,616
Top Easeway Limited	14 January 2022	Relevant Vesting Date (Note 2)	From the Relevant Vesting Date to 14 January 2026	1.878	-	30,690,900	-	-	-	30,690,900	23,616
Total					-	214,836,300	-	-	-	214,836,300	171,165

* For identification purpose only

Notes:

1. The vesting of the share options is subject to the fulfilment of certain vesting conditions. For details, please refer to the announcements of the Company dated 14 January and 12 May 2022.
2. Relevant vesting date (“**Relevant Vesting Date**”) means the day immediately after the vesting condition as prescribed being fully satisfied (or if such day is not a business day, the business day immediately after such day).
3. The Shares closed at HK\$1.87 on 13 January 2022, being the date immediately before the date of grant.

Save as disclosed above, no other share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2022.

The above supplemental information does not affect other information contained in the 2022 Annual Report. Save as disclosed above, all other information in the 2022 Annual Report remains unchanged.

By Order of the Board
Huisen Household International Group Limited
Zeng Ming
Chairman

Hong Kong, 22 September 2023

As at the date of this announcement, the executive directors of the Company are Mr. Zeng Ming, Ms. Zeng Minglan and Mr. Wu Runlu; and the independent non-executive directors of the Company are Mr. Suen To Wai, Ms. Zhang Lingling and Mr. Feng Zhaowei.