

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Yues International Holdings Group Limited (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

## **Yues International Holdings Group Limited**

**樂氏國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1529)**

### **(1) TERMINATION OF EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 23 November 2023 at 3:00 p.m. is set out on pages 35 to 37 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not less than 48 hours (i.e. 3:00 p.m. on Tuesday, 21 November 2023) before the time appointed for holding the extraordinary general meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire.

3 November 2023

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Appendix — Summary of Principal Terms of the New Share Option Scheme</b> .....	18
<b>Notice of EGM</b> .....	35

## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning as defined in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“close associate(s)”	has the meaning as defined in the Listing Rules
“Company”	Yues International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1529)
“connected person(s)”	has the meaning as defined in the Listing Rules
“core connected person(s)”	has the meaning as defined in the Listing Rules
“Date of Grant”	the date on which an Offer is made to an Eligible Participant(s)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong on Thursday, 23 November 2023 at 3:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the extraordinary general meeting which is set out on pages 35 to 37 of this circular, or any adjournment thereof
“Eligible Participants”	(a) the Employee Participant(s); (b) the Related Entity Participant(s); and (c) the Service Provider(s),  provided that the Board may have absolute discretion to determine whether or not one falls within the above category

## DEFINITIONS

“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group)
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Existing Share Option Scheme”	the existing share option scheme conditionally adopted by the Company on 26 September 2017
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme
“Group”	the Company and its subsidiaries, and “members of the Group” shall mean the Company and/or any of its subsidiary(ies)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	30 October 2023, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme to be adopted by the Company at the EGM
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Option(s)”	any option(s) to be granted to Eligible Participant(s) to subscribe for new Share(s) under the New Share Option Scheme

## DEFINITIONS

“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	the People’s Republic of China, which shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“Related Party Participant(s)”	directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company
“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any contractor, supplier, agent, consultant, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date

## DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

**LETTER FROM THE BOARD**

**Yues International Holdings Group Limited**

**樂氏國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1529)**

*Executive Directors:*

Mr. Le Kang (*Chairman*)

Mr. Li Jiahao

Mr. Li Jiali

Mr. Song Ruipeng

Mr. Du Yingyou

*Registered office:*

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Independent non-executive Directors:*

Mr. Yu Chun Man

Mr. Lau Wai Piu Patrick

Dr. Wang Yi

Mr. Chan Koon Yung

*Headquarter in the PRC:*

Units 1301 and 1302, 13/F, Citic Plaza

No. 233 Tianhe Road North

Guangzhou, PRC

*Principal Place of Business in Hong Kong:*

Room 3, 5/F, United Centre

95 Queensway

Admiralty, Hong Kong

3 November 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) TERMINATION OF EXISTING SHARE OPTION SCHEME AND  
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;  
AND**

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with (i) information in respect of the termination of the Existing Share Option Scheme and the proposed adoption of the New Share Option Scheme; and (ii) notice of the EGM.

## LETTER FROM THE BOARD

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

#### The Existing Share Option Scheme

The Company conditionally adopted the Existing Share Option Scheme on 26 September 2017 which became effective and unconditional upon the listing of the Shares on the Stock Exchange on 18 October 2017. Under the Existing Share Option Scheme, the Board may offer options to the eligible participants prescribed in the Existing Share Option Scheme at its discretion.

As at the date on which the Existing Share Option Scheme became effective and unconditional on 18 October 2017, the total number of issued Shares was 800,000,000 Shares. Pursuant to the Listing Rules and the Existing Share Option Scheme, the total number of Shares which may fall to be issued upon exercise of all share options to be granted under the Existing Share Option Scheme was 80,000,000, representing 10% of the then total number of issued Shares and the maximum number of Shares that might be issued upon the exercise of all share options under the Existing Share Option Scheme or other schemes (the “**Existing Scheme Mandate Limit**”).

As at the Latest Practicable Date, 69,000,000 options granted under the Existing Share Option Scheme remained outstanding and will continue to be valid and exercisable in accordance with the provisions of the Existing Share Option Scheme notwithstanding the proposed termination of the Existing Share Option Scheme. Details of the outstanding or unexercised share options under the Existing Share Option Scheme are as follows:

Name and/or category of grantee	Date of grant	Number of outstanding share options as at the Latest Practicable Date	Exercise period	Exercise price per Shares (HK\$)
<b>Directors</b>				
Mr. Li Jiahao — executive Director	1 June 2020	800,000	1 June 2020 to 31 May 2030	0.188
Mr. Li Jiali — executive Director	1 June 2020	800,000	1 June 2020 to 31 May 2030	0.188
<b>Employees</b>	1 June 2020	55,400,000	1 June 2020 to 31 May 2030	0.188
<b>Other</b>	1 June 2020	12,000,000	1 June 2020 to 31 May 2030	0.188

Save for the Existing Share Option Scheme, the Company has no other existing share schemes under Chapter 17 of the Listing Rules as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### Adoption of the New Share Option Scheme

As at the Latest Practicable Date, the Company had utilised 91.75% of the Existing Scheme Mandate Limit. In view of the limited number of Shares available under the Existing Scheme Mandate Limit and the amendments to Chapter 17 of the Listing Rules, which took effect on 1 January 2023, the Directors consider that the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date, will provide the Company with more flexibility in its long-term planning of the granting of the Options to the Eligible Participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group.

The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company which will help motivate the Eligible Participants in optimizing their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

Pursuant to the terms of the New Share Option Scheme, the Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Providers. In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (d) the amount of support, assistance, guidance, advice, effort and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, effort and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining the basis of eligibility of each Employee Participant, the Board will take into account (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

## LETTER FROM THE BOARD

In determining the basis of eligibility of each Related Entity Participant, the Board will take into account (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

The Service Providers include independent contractors, suppliers, agents, consultants, advisers and/or business partners who/which provided (a) transportation and international freight forwarding agency services; (b) operational and inventory management services; (c) other customization services such as labelling services and bundling services; (d) equipment installation and maintenance services; (e) warehouse construction and maintenance services; (f) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (g) legal related or other professional services; (h) marketing services in respect of the Group's businesses; (i) technical support and information technology services; and (j) client referral services, which are desirable or necessary in support of the existing businesses and other businesses carried out by the Group from time to time (the "**Group's business**"), or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the to the benefit and development of the Group's businesses.

In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in this Scheme include, amongst others, (a) the individual performance of the relevant contractor, supplier, agent, consultant, adviser and/or business partner based on specific criteria determined by the Board from time to time (including the nature, reliability and quality of the services supplied in relation to the Group's businesses); (b) the length of their business relationship with the Group; (c) the value of the services provided by the relevant contractor, supplier, agent, consultant, adviser and/or business partner in relation to the revenue generated from the Group's businesses; (d) their knowledge, experience and network in the relevant industry; (e) the frequency of collaboration within each contract term and length of their business relationship with the Group; (f) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (g) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (h) the background, credentials and experiences of the relevant contractor, agent, consultant, adviser and/or business partner; (i) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (j) the Group's future business plans in relation to further collaboration with such

## LETTER FROM THE BOARD

Service Providers and the long term support that the Group may receive accordingly; (k) the possibility of developing a long term business relationship with such Service Provider; (l) the positive impact brought to the Group's business development by the Service Provider; (m) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, supplier, agent, consultant, adviser and/or business partner could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, supplier, agent, consultant, adviser and/or business partner; (n) the replacement cost of such Service Provider and/or the services (including continuity and stability of supply or provision of such services); and (o) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, supplier, agent, consultant, adviser and/or business partner, and/or the synergy between the relevant contractor, supplier, agent, consultant, adviser and/or business partner and the Group as the Board may at its discretion consider appropriate.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

Whilst the scope of the Eligible Participants does not limit to the employees and directors of the Group, the Company considers that there may be circumstances in which certain non-employees, including the Related Entity Participants and the Service Providers would make contribution to the Group. As the purpose of the New Share Option Scheme is to recognise contributions made and to be made to the growth and development of the Group, the Company is of the view that such a wide scope of the Eligible Participants will provide the Board with flexibility in providing incentives and/or rewards to those Eligible Participants who have/will contribute(d) to the Group. The Board and each of the independent non-executive Directors believe that the grant of Options to the Service Providers and the Related Entity Participants would (i) strengthen their loyalty to the Group; (ii) provide incentives for a higher degree of participation and involvement in promoting the businesses of the Group; (iii) maintain a stable and long-term collaborative relationship with the Group; and (iv) enable the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group, whilst also aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders.

As at the Latest Practicable Date, the Group is principally engaged in the provision of transportation, warehousing, in-plant logistics and customisation services which are divided into four operating segments, namely (i) the transportation service segment which is principally providing supply chain logistics services; (ii) the warehousing service segment which is principally providing warehousing of cargoes and warehouse management services; (iii) the in-plant logistics service segment which is principally providing transportation of in-plant cargoes; and (iv) the customisation service segment which is principally providing labelling

## LETTER FROM THE BOARD

and bundling services. In line with the industry norms of the logistics industry in the PRC, the Group maintained a cooperative relationship with subcontractors for the provision of certain transportation services, mainly for the orders for domestic transportation service and international freight forwarding agency services by its customers, whereby the Group, through outsourcing to independent subcontractors, assisted the customers to obtain cargo space from shipping companies or shipping agents that meet their requirements. The Group considers that this subcontracting arrangement would (i) minimise the need to employ and maintain a large workforce; and (ii) increase flexibility and cost effectiveness in carrying out its services. Further, directors or employees of the Company's holding companies, fellow subsidiaries and associated companies may contribute in expanding the Group's business connections which allow the Group to capture new business opportunities. Considering the features of the Company's business model and the business needs as set out above, the Board (including each of the independent non-executive Directors) is of the view that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm and the criteria for the selection of the Eligible Participants align with the purpose of the New Share Option Scheme.

The Company considers that the inclusion of non-employees, including the Related Party Participants and the Service Providers, recognizes the past and future contribution of such non-employees, whose effort and co-operation with the Company have been instrumental in the development and continued success of the Group's businesses. In particular, the Service Providers possess specialized skills or industry-specific knowledge and may provide to the Group the necessary services, technical support and strategic advice which may benefit the Group its future business growth. On the other hand, the Group has also maintained close working relationship with the Related Entity Participants, such as senior management of the Company's holding companies, fellow subsidiaries and associated companies, providing and enabling the Group to expand its business connections and allowing the Group to capture new business opportunities. Hence, the Board (including the independent non-executive Directors) is also of the view that the wider scope of the Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme and provides flexibility to the Company as a means of incentivizing or rewarding persons outside of the Group to contribute to its long-term success.

The Company has sought legal advices in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

Based on the above, the Board considers that the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

## LETTER FROM THE BOARD

### Conditions Precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board may at its discretion and on a case by case basis specify any condition in the offer letter of the grant of the relevant Option which must be satisfied before an Option may be exercised including (without prejudice to the generality of the foregoing):

- (1) the continuing eligibility of the Grantee under the New Share Option Scheme (details of which are set out in paragraphs 13 to 20 of the Appendix to this circular), and in particular, where the Board determines that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria under the Share Option Scheme, the Option (to the extent not already exercised) shall lapse, subject to the requirements of the New Share Option Scheme;
- (2) the continuing compliance of such terms and conditions that may be attached to the grant of the Option, failing which the Option (to the extent not already exercised) shall lapse unless otherwise determined to the contrary by the Board, subject to the requirements of the New Share Option Scheme;
- (3) conditions, restrictions or limitations relating to the achievement of operating or financial targets before an Option can be exercised;
- (4) if applicable, the satisfactory performance of certain obligations by the Grantee; and
- (5) clawback mechanism for the Company to recover or withhold any Options granted to any Grantee, whether in the event of serious misconduct, of the Grantee, a material misstatement in the Company's financial statements or other circumstances.

Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

## LETTER FROM THE BOARD

### Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).

As at the Latest Practicable Date, the number of issued Shares was 1,141,280,000 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 114,128,000 Shares, representing 10% of the issued share capital of the Company on the Adoption Date.

The sublimit on the total number of Shares which may be issued in respect of all Options to be granted to Service Providers (the “**Service Provider Sublimit**”) under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company will be 34,238,400 Shares, being 3% of the total number of Shares in issue on the Adoption Date assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date.

The basis for determining the Service Provider Sublimit takes into account the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group’s revenue or profits which is attributable to the Service Providers and the extent of contributions of the Service Provider to the Group’s business. Considering that (a) the sublimit of 3% would not lead to excessive dilution of the existing Shareholders’ shareholdings; (b) there is no other share schemes of the Company involving a grant of options over new Shares to the Service Providers; (c) the historical practice of the Group in granting options to the Service Providers whom provide services akin to employees of the Group; and (d) the Service Providers have contributed and will continue to contribute to the long-term growth of the Group’s businesses, and that the New Share Option Scheme could incentivise the Service Providers to continue to support and/or cooperate with the Company on a long-term basis. For example, the Services Providers may include seasoned people in its respective fields and professionals with extensive knowledge and experience desirable for the Group’s businesses and/or with business connections whom the Group may not be able to recruit as employees, it is also in line with industry norms for the Group to engage/cooperate with such Service Providers. Considering the Service Providers’ past and future contribution, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

## LETTER FROM THE BOARD

The Service Provider Sublimit is subject to the separate approval of the Shareholders at the EGM. As at the Latest Practicable Date, the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will be third party independent of and not connected with the Company and its connected persons. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme at the EGM.

As at the Latest Practicable Date, the Board has no current intention to grant any Options under the New Share Option Scheme.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

### **Explanation of the terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter of the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

Save for the circumstances prescribed in paragraph 5 of the Appendix to this circular where the Board may at its discretion grant a shorter vesting period to an Employee Participant, the vesting period for Options under the New Share Option Scheme shall not be less than twelve (12) months.

Further, to ensure the practicability in fully attaining the purpose of the New Share Option Scheme, the Board and the remuneration committee (the “**Remuneration Committee**”) of the Company are of the view that (a) there are certain instances where a strict twelve (12)-month vesting requirement would not be sufficient to secure the long-term contribution of the Grantees and development of the Group; and (b) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose additional vesting conditions such as extended vesting period and/or performance-based vesting conditions on top of the minimum vesting period of twelve (12) months, depending on individual circumstances.

## LETTER FROM THE BOARD

As such, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in paragraph 5 of the Appendix to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

Further, save as determined by the Board on a case by case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, the New Share Option Scheme does not stipulate general performance targets a Grantee is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme.

Save for the clawback mechanism as prescribed in paragraph 10 of the Appendix to this circular, there is no clawback mechanism for the Company to recover or withhold any Options granted to any Grantee.

However, the New Share Option Scheme will give the Board discretion to impose such conditions as it sees fit on the Option and specify such conditions (including but not limited to performance targets and clawback mechanisms) in the offer letter of the grant of the relevant Option where appropriate (if applicable).

Such performance target and clawback mechanism (if any) will be consistent with the purpose of the New Share Option Scheme as it recognizes and acknowledges the contributions or potential contributions made or to be made by the Eligible Participants. The Board (and the Remuneration Committee in respect of grants of options to the Directors and/or senior manager) considers that it may not always be appropriate to impose performance targets particularly when the purpose of granting Options is to remunerate or compensate employees. The Board is of the view that it is not practicable to expressly set out a generic set of performance targets in the New Share Option Scheme, as each Grantee will play different roles and contribute in different ways to the Group. The Board is of the view that it is more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate.

Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of the Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

The Board will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Board will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Eligible Participant's expected contribution with reference to such Eligible Participant's nature of duties (e.g. whether in a sale role,

## LETTER FROM THE BOARD

management role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the above factors in order to provide a fair and objective appraisal of the Eligible Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The management will propose the performance targets of each Eligible Participant in each grant of Options to the Board or the Remuneration Committee for consideration, who will then assess the reasonableness and suitability of such performance targets.

In recommending the grant of share options to Directors and senior manager, the Remuneration Committee will take into account factors like: (a) the purpose of the New Share Option Scheme which is to recognize and acknowledge the contribution the Eligible Participants have made or may make to the Group as well as to provide motivation and optimize the performance and efficiency of such Eligible Participants; (b) the remuneration practice of the Group; (c) the duration of employment, remuneration package and contribution of the Eligible Participants; and (d) the prevailing market practice and industry wide comparison in order to enhance the competitiveness of the Group to retain talents and to provide incentives and motivation for the Eligible Participants to perform better.

The Remuneration Committee notes that the purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Eligible Participant(s) to the Group and that the New Share Option Scheme does not restrictively specify the contribution. The Remuneration Committee will also consider (a) the importance of the roles and responsibilities of the Eligible Participants; (b) the past performance and contributions of the Eligible Participants; and (c) the expected contributions of the Eligible Participants to be made to the future development of the Group and is of the view that the grant of share options without any performance target aligns with the purpose of the New Share Option Scheme.

The Board (including each of the independent non-executive Directors) and the Remuneration Committee believes that subject to Listing Rules and the rules of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the exercise price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter of the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to align with the purpose of the New Share Option Scheme. The Company will make relevant disclosure by way of announcement(s) to comply with Rules 17.06B of the Listing Rules when granting the Options to the Eligible Participants in the future.

## **LETTER FROM THE BOARD**

### **Document on display**

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.goalrise-china.com](http://www.goalrise-china.com) for a period of not less than 14 days before the date of the EGM and is also available for inspection at the EGM.

### **Application for Listing**

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

### **EGM**

A notice convening the EGM, for the purpose of, considering and, if thought fit, passing the resolutions set out therein is set out on pages 35 to 37 of this circular. Under Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the EGM must be taken by poll.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the Company's website ([www.goalrise-china.com](http://www.goalrise-china.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 20 November 2023 to Thursday, 23 November 2023 (both days inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the EGM. No transfer of Shares and/or exercise of the outstanding share options will be registered during this period. Shareholders whose name appear on the register of members of the Company on Friday, 17 November 2023 shall be entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, unregistered holders of the Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 17 November 2023.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the EGM Notice at the EGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix to this circular in relation to the summary of principal terms of the New Share Option Scheme.

### 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.

On behalf of the Board  
**Yues International Holdings Group Limited**  
**Le Kang**  
*Chairman*

*The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:*

## **1. PURPOSE**

The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company which will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

## **2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the Exercise Price, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of the Options granted under the New Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

## **3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME**

Eligible Participants for the New Share Option Scheme include:

- (i) Employee Participant(s) which include the director(s) and employee(s) (whether full-time or part-time but excludes a former employee of the Group unless such former employee otherwise qualifies as an Eligible Participant) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group);
- (ii) Related Entity Participant(s) which include directors and employees (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company; and

- (iii) Service Provider(s) which include person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any contractor, supplier, agent, consultant, adviser and/or business partner to any area of business or business development of the Group, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

In determining the basis of eligibility of each Eligible Participant, the Board will take into account (a) the experience of the Eligible Participant in relation to the Group's business; (b) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining the basis of eligibility of each Employee Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) their individual performance; (b) their time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (c) the length of their engagement with the Group; and (d) their individual contributions or potential contributions towards the development and growth of the Group.

In determining the basis of eligibility of each Related Entity Participant, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (a) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (b) the period of engagement or employment of the Related Entity Participant by the Group; (c) the number, scale and nature of the projects in which the Related Entity Participant is involved; (d) whether the Related Entity Participant has or is expected to refer or introduce opportunities to the Group which have or are likely to materialise into further business relationships; and (e) the materiality and nature of the business relations of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

The Service Providers include independent contractors, suppliers, agents, consultants, advisers and/or business partners who/which provided (a) transportation and international freight forwarding agency services; (b) operational and inventory management services; (c) other customization services such as labelling services and bundling services; (d) equipment installation and maintenance services; (e) warehouse construction and maintenance services; (f) finance and accounting services but excluding advisory services for fundraising, mergers or acquisitions provided by placing agents or financial advisers, and the provision of assurance or services performed with impartiality and objectivity from service providers such as auditors or valuers; (g) legal related or other professional services; (h) marketing services in respect of the Group's businesses; (i) technical support and information technology services; and (j) client referral services, which are desirable or necessary in support of the Group's business, or helped maintain or enhanced the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the to the benefit and development of the Group's businesses.

In determining the basis of eligibility of each Service Provider, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in this Scheme include, amongst others, (a) the individual performance of the relevant contractor, supplier, agent, consultant, adviser and/or business partner based on specific criteria determined by the Board from time to time (including the nature, reliability and quality of the services supplied in relation to the Group's businesses); (b) the length of their business relationship with the Group; (c) the value of the services provided by the relevant contractor, supplier, agent, consultant, adviser and/or business partner in relation to the revenue generated from the Group's businesses; (d) their knowledge, experience and network in the relevant industry; (e) the frequency of collaboration within each contract term and length of their business relationship with the Group; (f) whether the frequency of the services provided by a Service Provider is akin to that of its employees; (g) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (h) the background, credentials and experiences of the relevant contractor, agent, consultant, adviser and/or business partner; (i) the scale of business dealings between the Service Provider and the Group (in terms of fees payable to the Service Provider, where applicable); (j) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly; (k) the possibility of developing a long term business relationship with such Service Provider; (l) the positive impact brought to the Group's business development by the Service Provider; (m) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such contractor, supplier, agent, consultant, adviser and/or business partner could bring positive impacts to the Group's businesses, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such contractor, supplier, agent, consultant, adviser and/or business partner; (n) the replacement cost of such Service Provider and/or the services (including continuity and stability of supply or provision of such services); and (o) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant contractor, supplier, agent,

consultant, adviser and/or business partner, and/or the synergy between the relevant contractor, supplier, agent, consultant, adviser and/or business partner and the Group as the Board may at its discretion consider appropriate.

In assessing whether the services provided by the Service Provider to the Group is on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (a) the length and type of services provided and the recurrences and regularity of such services including but not limited to the term of the contract of the Service Provider, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (b) the nature of the services provided to the Group by the Service Provider; and (c) whether such services form part of or are directly ancillary to the businesses conducted by the Group of which is in a revenue generating nature.

#### **4. GRANT AND ACCEPTANCE OF OPTIONS**

The Board shall, subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled (but shall not be bound), at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date, to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to paragraph 7 below, determine at the Exercise Price pursuant to paragraph 6 below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case by case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his or her Personal Representative(s)) for a period of twenty-one (21) days inclusive of, and from the Date of Grant provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

## 5. VESTING PERIOD

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out-of-control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons had to wait for the subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted <sup>(Note 1)</sup>;
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) month <sup>(Note 2)</sup>; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria as determined in the conditions of grant <sup>(Note 3)</sup>.

### Notes:

1. For illustration purpose only, grants may be made in batches during a year where (i) the management and/or the Remuneration Committee only meet and assess the Employee Participants’ performance on a regular basis, and make such grants in batches; or (ii) Shareholders’ approval is required for certain grants which should have been granted on an earlier date but had to wait for a subsequent batch due to compliance requirement. In such circumstances, the vesting date may be adjusted to take into account of the time from which such Options would have been granted but for the administrative or compliance requirements, enabling the Company to reward past contribution which may otherwise be neglected due to administrative or compliance reasons and is in line with the purpose of the New Share Option Scheme to recognise contributions made by the Eligible Participants.
2. The Board may consider granting Options which are to be vested evenly over a period of twelve (12) months in circumstances where the Company is optimistic about a certain business or development plan that is a work-in-progress, for the purposes of providing incremental incentives as the business or the plan continues to develop. Since the reward in the form of equity incentive materialises incrementally over the twelve (12)-month period, this enable the Group to retain the Employee Participants for the continual operation and development of the businesses of the Group which aligns with the purposes of the New Share Option Scheme.
3. The Board may allow the vesting period to be accelerated upon the fulfilment of performance target(s) where the Employee Participant is an exceptional performer who is expected to fulfill the performance target(s) in less than twelve (12) months or when the Group recruits and/or retains talented personnel taking into account of business needs of the Group, changing market conditions and industry competition.

## 6. EXERCISE OF OPTIONS AND EXERCISE PRICE OF SHARES

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme.

The Exercise Price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Date of Grant, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of the Share on the Date of Grant.

Where a relevant Option is to be granted under paragraph (8) or (9), for the purposes of the above (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Date of Grant for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

## 7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

- (a) Subject to the Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equivalent to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the "**Scheme Mandate Limit**"), unless Shareholders' approval has been obtained pursuant to sub-paragraphs (c) and (d) below. As at the Adoption Date (assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date), the total number of Shares issuable under the Scheme Mandate Limit is 114,128,000

Shares, representing 10% of the issued share capital of the Company as at the Adoption Date. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

- (b) Subject to the limit mentioned in (7)(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equivalent to 3% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (i.e. the “**Service Provider Sublimit**”). As at the Adoption Date (assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date), the total number of Shares issuable under the Service Provider Sublimit is 34,328,400 Shares, representing approximately 3% of the issued share capital of the Company as at the Adoption Date.
- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders’ approval for the last refreshment) shall be subject to independent Shareholders’ approval pursuant to Rule 17.03C(1) of the Listing Rules and 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.
- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing the name of the specified Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the Exercise Price) of Options to be granted to such

Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

#### **8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES**

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined in the Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(4) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined in the Listing Rules), Director, chief executive or any of their respective associates if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

## 9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

For any twelve (12)-month period up to and including the date of grant of Options, the aggregate number of Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) shall not in aggregate exceed 1% of the total number of Shares in issue as at the date of grant. Where the grant of Options to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) would result in the number of Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participants in the twelve (12)-month period up to and including the date of grant of Options representing in aggregate in excess of 1% of the total number of Shares in issue as at the date of grant, such grant of Options shall be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

## 10. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic

value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Furthermore, save for the clawback mechanisms in the event where (i) an Option is sold, transferred, charged, mortgaged, encumbered or any interest is created or an agreement to create any interest in favour of any third party is entered into; (ii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reasons set out in paragraph 13; (iii) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of his or her death as set out in paragraph 14; (iv) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as set out in paragraph 15; (v) a Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than as set out in paragraphs 13 to 15; (vi) the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant due to a breach of contract under the reasons set out in paragraph 17; and (vii) clawback mechanism for the Company to recover or withhold any Options granted to any Grantee, whether in the event of serious misconduct of the Grantee, a material misstatement in the Company's financial statements or other circumstances as determined by the Board on a case by case basis, there is no clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

## 11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of Options may not be made:

- (a) after inside information has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
  - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results 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 the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules)

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

**12. RIGHTS ARE PERSONAL TO GRANTEES**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

**13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

If the Grantee of an Option is an employee or a director of the Group and ceases to be an Eligible Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

**14. RIGHTS ON DEATH**

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and where the Grantee is an employee or a director of the Group, none of the events referred to in paragraph 13 above as ground for termination of his or her employment or directorship arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs 18 to 20 respectively.

**15. RIGHTS ON ILL-HEALTH OR RETIREMENT**

If the Grantee of an Option is an employee or a director of the Group ceases to be an Eligible Participant by reason of ill-health or retirement as an employee in accordance with his or her contract of employment before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of six (6) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs 18 to 20 below occurs during such period, he or she may exercise the Option pursuant to paragraphs 18 to 20 respectively.

**16. RIGHTS ON CESSATION FOR OTHER REASONS**

If the Grantee of an Option who is an employee or a director of the Group ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs 13 to 15 above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment with the Group.

**17. RIGHTS ON BREACH OF CONTRACT**

If the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant by reason of breach of contract entered into between such Service Provider and the Group, or termination of his/her/its engagement or appointment, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

*Note:* Paragraphs 13, 15 and 16 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

**18. RIGHTS ON A GENERAL OFFER**

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being 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 (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

**19. RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its Shareholders to convene an extraordinary general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and each Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and 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 and issue such number of Shares to the Grantee credited as fully paid.

**20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the "**Suspension Date**"), accompanied by a remittance of the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid

and register the Grantee as holder thereof. 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 terminated.

*Note:* Where any event under paragraphs 14, 18, 19 and 20 applies, no such Shares shall be allotted and issued to a Grantee who is not an employee or a director of the Group in respect of any Options granted within twelve (12) months.

## **21. CANCELLATION OF OPTIONS**

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

## **22. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares subject to the New Share Option Scheme or any Option so far as such Option remains unexercised; and/or (ii) the Exercise Price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable (other than in the case of capitalisation issue), provided that any such adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he or she would have been entitled to subscribe had he or she exercised all the Options held by him or her immediately prior to such event and the aggregate Exercise Price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and the issue of securities of the Company for cash (save and except for rights issue) or as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements and the supplementary guidance issued by the Stock Exchange on 5 September 2005, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

### 23. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

### 24. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

### 25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board.

- (a) Any alterations to the terms and conditions of the New 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 Eligible Participants must be approved by the Shareholders in general meeting.
- (b) Any change to the terms of Options granted to a Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

**26. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the termination of the Existing Share Option Scheme, the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

**27. LAPSE OF OPTIONS**

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph (12);
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (13) to (20); and
- (d) the date of the commencement of the winding-up of the Company.

**28. TERMINATION**

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**29. MISCELLANEOUS**

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (22) above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

## NOTICE OF EGM

### Yues International Holdings Group Limited

### 樂氏國際控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1529)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of Yues International Holdings Group Limited (the “**Company**”) will be held on Thursday, 23 November 2023 at 3:00 p.m. at 22/F, Euro Trade Centre, 13–14 Connaught Road Central, Central, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors (the “**Directors**”) of the Company be and are hereby authorised to grant options to allot, issue and deal in the Shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme;
- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution; and

## NOTICE OF EGM

- (c) conditional upon the New Share Option Scheme becoming effective, the existing share option scheme of the Company as adopted on 26 September 2017 (the “**Existing Share Option Scheme**”) be and is hereby terminated upon the New Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”
2. “**THAT** conditional upon the New Share Option Scheme of the Company being approved and adopted by way of ordinary resolution of the Company numbered 1 above, the sublimit on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company of 3% of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”

On behalf of the Board  
**Yues International Holdings Group Limited**  
**Le Kang**  
*Chairman*

Hong Kong, 3 November 2023

*As at the date of this Notice, the Board consists of five executive Directors, Mr. Le Kang, Mr. Li Jiahao, Mr. Li Jiali, Mr. Song Ruipeng and Mr. Du Yingyou, and four independent non-executive Directors, Mr. Yu Chun Man, Mr. Lau Wai Piu Patrick, Dr. Wang Yi and Mr. Chan Koon Yung.*

*Notes:*

1. Pursuant to the Listing Rules, all the resolutions are to be voted by poll at the Meeting.
2. A member of the Company (whether individual or corporate) may only exercise his/her/its voting rights at the Meeting by appointing the chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting. In appointing the chairman of the Meeting as proxy, the member of the Company must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company before 3:00 p.m. on Tuesday, 21 November 2023 (Hong Kong Time), which is not later than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
4. Delivery of an instrument appointing a proxy should not preclude a member from attending the Meeting or any adjournment thereof.

## NOTICE OF EGM

5. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
6. For determining the entitlement to attend and vote by proxy at the Meeting, the register of members of the Company will be closed from Monday, 20 November 2023 to Thursday, 23 November 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote by proxy at the Meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 17 November 2023.