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If you have sold or transferred all your shares in Chervon Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, 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 transferee.

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Chervon Holdings Limited

泉峰控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2285)

**PROPOSED ADOPTION OF SHARE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening an extraordinary general meeting (the “**Extraordinary General Meeting**”) of Chervon Holdings Limited to be held on Tuesday, February 20, 2024 at 10 a.m. at 99 West Tian-yuan Road, Nanjing, China, is set out on pages 34 to 36 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (global.chervongroup.com).

Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the enclosed form of proxy for use at the Extraordinary General Meeting in accordance with the instructions printed thereon and return it to the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (spot-emeeting.tricor.hk) using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

February 2, 2024

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DEFINITIONS

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

“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable costs) on exercise of an Award pursuant to the Share Scheme or in the case of an exercise when there is an event of change in control of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer
“Adoption Date”	the date on which the Share Scheme is adopted by resolution of the Shareholders
“Articles of Association”	the articles of association of the Company
“Award”	an award granted to a participant under the Share Scheme, which will upon vesting entitle such participant to receive Award Shares or the Actual Selling Price of the Award Shares in cash as the Board may in its absolute discretion determine in accordance with the terms of the Share Scheme
“Award Shares”	Shares underlying an Award
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for dealing in securities
“China”	the People’s Republic of China
“Company”	Chervon Holdings Limited (泉峰控股有限公司), a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participant(s)”	the Employee Participants, Related Entity Participants and the Service Providers Participants, and for the purposes of the Share Scheme, the Offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified Eligible Participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable)
“Employee Participant(s)”	full-time and part-time employees, and directors of the Company or any of its subsidiaries (including persons who are granted Options or Awards under the Share Scheme as an inducement to enter into employment contracts with these companies)
“Exercise Period”	in respect of any Award, the period to be determined and notified by the Company to the Grantee thereof at the time of making an Offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Offer Date with respect of the relevant Award
“Exercise Price”	the price per Share at which an Option Holder may subscribe for Shares on the exercise of an Option pursuant to the terms of the Share Scheme
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held on Tuesday, February 20, 2024 at 10 a.m. at 99 West Tian-yuan Road, Nanjing, China to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 34 to 36 of this circular, or any adjournment thereof
“Grant Date”	the date on which the grant of an Award is made to a participant
“Grant Shares”	collectively, Award Shares and Option Shares
“Grantee”	a grantee of an Award and/or an Option
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	January 30, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Offer”	an offer of the grant of an Option or an Award to be made to a participant by the Board in accordance with the terms of the Share Scheme
“Offer Date”	the date of the meeting of the Board for proposing an Offer for the grant of an Option or an Award
“Offer Letter”	the letter to be issued by the Company to a participant in such form as may be determined from time to time by the Board for the Offer of an Option or an Award (as the case may be), specifying the offer date, the number of Grant Shares, the vesting criteria and conditions, the vesting date and such other details as it may consider necessary
“Option”	a right granted to a participant to subscribe for Shares upon vesting and exercised pursuant to the terms of an Option granted under the Share Scheme
“Option Shares”	Shares underlying an Option
“Purchase Price”	the price (if any) payable by the Award holder to acquire the Award Shares under his Award
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries or associated companies of the Company

DEFINITIONS

“Related Income”	all or such portion of cash income derived from the Award Shares (including cash dividends declared and paid on the Award Shares) as may be determined by the Board from time to time (excluding any interest earned on such cash income) and held under the Trust for the benefit of the Award holder
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options and Awards to be granted under the Share Scheme together with all options and awards which may be granted under any other schemes for the time being of the Company
“Scheme Rules”	rules relating to the Share Scheme
“Service Provider Participant Sublimit”	the total number of new Shares which may be issued in respect of all Options and Awards, and other options and awards to be granted to the Service Provider Participants within the Scheme Mandate Limit
“Service Provider Participant(s)”	the independent service providers, suppliers, subcontractors and consultants who are the participants, more particularly described in the section headed “3. Participants of the Share Scheme and Basis of Determining Eligibility of Participants” in the Appendix to this circular
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Scheme”	the share scheme proposed to be adopted by the Company at the Extraordinary General Meeting whose principal terms are set out in the Appendix to this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Termination Date”	the last business day which falls on immediately prior to the tenth anniversary of the Adoption Date
“Trust”	the trust constituted by a trust deed between the Company and the Trustee for the purposes of administering the Awards granted or to be granted under the Share Scheme
“Trustee”	the trustee(s) as may be appointed by the Company from time to time for the purposes of the Trust, which has not yet been appointed as at the Latest Practicable Date and is expected to be appointed prior to the making of any Offer for the Awards
“Vesting Expenses”	all transfer fees, expenses and taxes associated with the vesting and transfer of the relevant Award Shares and Related Income to the Award holder save for those to be borne by the Company
“%”	per cent

LETTER FROM THE BOARD



Chervon Holdings Limited
泉峰控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 2285)

Executive Directors:

Mr. PAN Longquan (*Chairman*)
Ms. ZHANG Tong
Mr. KE Zuqian
Mr. Michael John CLANCY

Registered Office:

Unit 04, 22/F, Saxon Tower
7 Cheung Shun Street
Lai Chi Kok, Kowloon
Hong Kong

Independent non-executive Directors:

Mr. TIAN Ming
Dr. LI Minghui
Mr. JIANG Li

February 2, 2024

To the Shareholders

Dear Sir/Madam,

**PROPOSED ADOPTION OF THE SHARE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions regarding the adoption of the Share Scheme to be proposed at the Extraordinary General Meeting to be held on February 20, 2024.

2. PROPOSED ADOPTION OF THE SHARE SCHEME

Reference is made to the announcement of the Company dated January 29, 2024. The Board proposes to adopt a share scheme in compliance with Chapter 17 of the Listing Rules.

The purpose of the Share Scheme is to enable the Company to provide incentives to Eligible Participants for their contributions or potential contributions to the Group and to align their interests with that of the Group.

A summary of the principal terms of the Share Scheme is set out in the Appendix to this circular.

LETTER FROM THE BOARD

Purpose

The purposes of the Share Scheme are set out in the section headed “1. Purpose of the Share Scheme” in the Appendix to this circular.

Conditions

The adoption of the Share Scheme is conditional upon:

- (a) the passing of the necessary ordinary resolution at a general meeting of the Company approving the adoption of the Share Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued by the Company upon the exercise of the Options and Awards that may be granted under the Share Scheme.

Eligible Participants

The Eligible Participants and the criteria for determination of their eligibility are set out in the section headed “3. Participants of the Share Scheme and Basis of Determining Eligibility of Participants” in the Appendix to this circular.

The participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants. Under the Share Scheme, the Board may at its absolute discretion determine, subject to the Listing Rules, the eligibility of the participants, the number of Shares to be comprised in the Options or Awards, performance targets, the exercise period and vesting period of Options or Awards. The basis of determining eligibility of the participants to the grant of any Options or Awards shall be determined by the Directors in their absolute discretion from time to time on the basis of the amount of contribution the participant has made or is likely to make towards the success of the Group and such other factors as the Board may in its discretion consider appropriate.

The Board (including the independent non-executive Directors) considers that (i) the basis of determination of the eligibility of participants aligns with the purposes of the Share Scheme because it will enable the Group to preserve its cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company of the one part and the Employee Participants, Related Entity Participants and Service Provider Participants of the other part, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group; (ii) the inclusion of the Related Entity Participants and Service Provider Participants as non-Employee Participants are in line with the Group’s business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; (iii) the inclusion of the part-time employees of the

LETTER FROM THE BOARD

Company is in line with the Company's business needs and industry norm, as the Board recognises their value and perceives their inclusion as desirable for their contribution made and to be made to the Group's sustainability and competitiveness, and, providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with additional rewards through their contributions, will bind the interests of such participants and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth; and (iv) the criteria for selection of participants as set out above and the discretion afforded to the Board to impose different terms and conditions (including performance targets (if any) and vesting conditions, further details of which are set out in the section headed "11. Vesting Condition" of Appendix to this circular) on Awards or Options granted to such selected participants, is appropriate and in the interest of the Company and the Shareholders as a whole, as the Board will be in a better position to assess the eligibility and contribution of each Related Entity Participant and Service Provider Participant, and determine the terms of grant to enable the purpose of the Share Scheme to be achieved.

Vesting Period

The vesting period of the Options and Awards is set out in the section headed "10. Vesting Period" in the Appendix to this circular. The same section also sets out circumstances in which the Board may grant Awards with a vesting period shorter than the twelve (12) months.

The Board and the Remuneration Committee are of the view that (i) there are certain instances (for example in circumstances (a) to (g) set out in the section headed "10. Vesting Period" of Appendix to this circular) where a strict twelve (12)-month vesting requirement would not be fair to the holder(s) of the Awards (for sections 10(b), (d), (e), (f) and (g)); (ii) there is a need for the Company to retain the flexibility to reward exceptional performers with accelerated vesting period or in exceptional circumstances where justified (for section 10(c)); and (iii) the Company should be allowed to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition (for sections 10(a) and (c)). It should have the flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances so as to align with the purpose of the Share Scheme to improve the Group's long-term incentive mechanism to attract and retain outstanding talents and to fully mobilise the senior management team and core employees.

As such, the Board and the Remuneration Committee are of the view that the circumstances when the vesting period is shorter than twelve (12) months prescribed in the section headed "10. Vesting Period" of Appendix to this circular are appropriate and align with the purpose of the Share Scheme.

LETTER FROM THE BOARD

Maximum Number of Shares subject to the Share Scheme

The Scheme Mandate Limit is set out in the section headed “4. Maximum Number of New Shares to be Issued in respect of the Options and Awards” in the Appendix to this circular.

As at the Latest Practicable Date, the number of issued Shares was 511,053,811. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the Scheme Mandate Limit for the time being of the Company would be 51,105,381 Shares, representing 10% of the issued share capital of the Company on the date of approval of the Share Scheme. Within the Scheme Mandate Limit, the Service Provider Participant Sublimit would be 5,110,538 Shares, representing 1% of the total number of Shares in issue on the date of approval of the Share Scheme.

The basis for determining the Service Provider Participant Sublimit includes the potential dilution effect arising from grants to Service Provider Participants, the actual or expected increase in the Group’s business which is attributable to Service Provider Participants and the extent of use of Service Provider Participants in the Group’s business. The Service Provider Participant Sublimit is subject to separate approval by the Shareholders at the Extraordinary General Meeting. The Board has taken into consideration of the necessity in maintaining and broadening the existing business relationships and exploring potential partnerships with its Service Provider Participants (in particular, the Service Provider Participants who could bring positive impacts to the Group’s business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by Service Provider Participants) by providing equity incentives, but is also aware of the need to provide adequate safeguards against excessive dilution. Having considered the above factors, the Board is of the view that the Service Provider Participant Sublimit is appropriate and reasonable.

Performance Targets and Clawback Mechanism

The Board may at its discretion specify any condition, which it considers appropriate, in the Offer Letter at the grant of the relevant Option or Award, including conditions and/or performance target(s) that must be achieved before any of the Option or Award can be exercised, as well the clawback mechanism for the Company to recover or withhold any Options or Awards granted to any Eligible Participants.

The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options or Awards under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group. The Board recognises that it may not always be appropriate to impose performance targets or prescribe a clawback mechanism. One of the purposes of granting the Options or Awards is to provide motivation and incentive to employees of the Group whose contributions are important to the long-term growth of the Group. The grant of the Options and Awards is for the purpose of attracting and retaining talents. As such, the Board should be given sufficient flexibility to decide the best way to achieve such purpose taking into account changing market conditions, industry competition and also the individual circumstances of each Grantee. It may sometimes be impractical to expressly set out a generic set of performance targets in the Share Scheme, as each Grantee will play different roles and contribute in diverse ways to the Group.

LETTER FROM THE BOARD

Specifically, the Board may, at its discretion, require at the time of grant any particular Grantee to achieve such performance targets as the Board may then specify in the grant before any Options or Awards granted under the Share Scheme to such Grantee can be exercised. If performance targets are imposed on a Grantee at the grant of the relevant Option or Award, the Board will have regard to the purpose of the Share Scheme in assessing the reasonableness and suitability of such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. operation efficiency) and financial performance (e.g. profits, cash flow, earnings, market capitalisation and return on equity) of the Group, as well as corporate sustainability parameters (e.g. accuracy and timeliness in handling customer complaints and feedback and adherence to corporate culture) and personal qualities (e.g. discipline, punctuality, integrity and compliance with internal procedures and controls) of the Grantee, the satisfaction of which shall be assessed and determined by the Board at its discretion.

On the other hand, if a clawback mechanism is prescribed, at the Board's discretion, on a Grantee at the grant of the relevant Option or Award, if a Grantee's employment has been terminated summarily, or has been convicted of any criminal offence involving his/her integrity or honesty, or has been involved in any wrongdoing that brings the Group into disrepute or causes damage to the Group (including but not limited to causing a material misstatement in the Company's financial statements), any outstanding Options or Awards not yet vested shall be immediately forfeited, unless the Board determines otherwise at its discretion.

Others

The Company understands that whilst the Share Scheme is not restricted to executives and employees of the Group, the adoption of the Share Scheme would not constitute an offer to the public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

None of the Directors is or will be the Trustee nor has a direct or indirect interest in the Trustee.

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

Pursuant to Rule 17.03B(2) of the Listing Rules, the Service Provider Participant Sublimit shall be separately approved by Shareholders in general meeting. For the avoidance of doubt, the adoption of the Share Scheme is not conditional on the Shareholders' approval of the Service Provider Participant Sublimit. In the event that the resolution approving the Service Provider Participant Sublimit has been voted down, the Company will not make any grant to the Service Provider Participants unless and until a revised Service Provider Participant Sublimit has been approved by the Shareholders separately.

LETTER FROM THE BOARD

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 Share Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the Share Scheme.

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 and allotted pursuant to the exercise of any Option or Award that may be granted under the Share Scheme.

Document on Display

A copy of the Share Scheme will be published on the websites of the Stock Exchange and the Company for a period of not less than fourteen (14) days before the date of the Extraordinary General Meeting and will also be made available for inspection at the Extraordinary General Meeting.

3. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Thursday, February 15, 2024 to Tuesday, February 20, 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar 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 Wednesday, February 14, 2024.

4. 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.

LETTER FROM THE BOARD

5. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 34 to 36 of this circular.

The Company will hold the Extraordinary General Meeting at 99 West Tian-yuan Road, Nanjing, China.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll, except where the chairman of the Extraordinary General Meeting decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Extraordinary General Meeting in the manner prescribed under the Listing Rules and the Articles of Association.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (global.chervongroup.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 certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (spot-emeeting.tricor.hk) using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the Extraordinary General Meeting or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish.

6. RECOMMENDATION

The Directors consider that the proposed adoption of the Share Scheme is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Extraordinary General Meeting.

By order of the Board
Chervon Holdings Limited
PAN Longquan
Chairman

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

1. PURPOSE OF THE SHARE SCHEME

The purposes of the Share Scheme are

- (a) to bind the interests of the Shareholders, the Company and its employees to focus on the realisation of the Company's strategic development objectives and to drive the performance growth; and
- (b) to improve the Group's long-term incentive mechanism to attract and retain outstanding talents and to fully mobilise the senior management team and core employees.

The Share Scheme is funded by the issuance of new Shares by the Company and/or the purchase of existing Shares by way of on-market transaction as the Board may in its absolute discretion determine. The Board will take into account, among others, (1) the market price of the Shares from time to time and (2) the potential dilution effect arising from the grants of Shares under the Share Scheme, when determining whether to grant new Shares or existing Shares to participants.

As disclosed in the interim report of the Company published on September 26, 2023, the Company focuses on user-centric innovation and product offerings, which is supported by the Group's integrated system of research and development, manufacturing and sales and distribution capabilities. Specifically, the Company aims to strengthen its competitive position, better address customers' needs, adapt to changing market conditions and improve the efficiency of the funds utilisation.

The Board considers that, compared with other alternatives such as cash bonus to facilitate the purpose of the Share Scheme, the granting of Options or Awards can preserve the Group's cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company of the one part and the Employee Participants, Related Entity Participants and Service Provider Participants of the other part, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group. In addition, the grant of Shares to the Grantees can align the interests of such employees and the Company by providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with additional rewards through their contributions, which will bind the interests of such participants and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth. With the equity-based remuneration in the form of grant of Shares, any increase in the future share price of the Company would increase the Grantees' remuneration, thereby aligning the interests of the Grantees and the Company.

The grant of Options and Awards is for the purpose of attracting and retaining talents. As such, the Board is given sufficient flexibility to decide the best way to achieve such purpose taking into account changing market conditions, industry competition and also the individual circumstances of each Grantee. The grant of Shares under the Share Scheme acts as an additional method of incentivizing talents and mobilise senior management team and core employees while preserving cash resources of the Group. Further, as the Vesting Period for the grant of Options or Awards shall generally be not less than twelve (12) months, coupled with the power of the Directors to impose any performance target as they deem fit before the Option or Award is vested or other restrictions in respect of the Grant Shares, the granting of Options or Awards enables the Group to incentivise the Grantees to contribute to the long-term growth and success of the Group.

Therefore the Directors are of the view that ownership in Shares by the Grantees will align the interest of the Grantees with the interest of the Group and the Group's long-term strategic objectives and that the imposition of appropriate criteria for vesting and lapsing of Options and Awards will strengthen the alignment of the interest of the Grantees and the Group.

2. CONDITIONS

The Share Scheme shall take effect upon the fulfilment of the following conditions:

- (a) the passing of a resolution by the Shareholders to approve the adoption of the Share Scheme and to authorise the Board to grant Options and Awards under the Share Scheme, and to approve the Scheme Mandate Limit; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares which may be issued by the Company in respect of all Options and Awards to be granted under the Share Scheme.

3. PARTICIPANTS OF THE SHARE SCHEME AND BASIS OF DETERMINING ELIGIBILITY OF PARTICIPANTS

The Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Provider Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (i) the performance of the Employee Participant; (ii) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (iii) the time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (iv) the length of employment with the Group; and (v) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

In determining the basis of eligibility for Related Entity Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (i) the experience of the Related Entity Participant in the Group's business; (ii) the length of service with the related entity; (iii) the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant has exerted and given towards the development, growth and success of the Group; and (iv) the amount of potential support, assistance, guidance, advice, efforts and contributions the Related Entity Participant is likely to be able to give or make towards the development, growth and success of the Group in the future.

A Service Provider Participant refers to a person who provides services to any member of the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and fall into any of the following categories, provided that placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, shall be excluded.

(a) Independent service providers, suppliers and sub-contractors

Service Provider Participants under this category are (1) suppliers of raw materials, parts and components for the Group's production requirements, (2) contractors that undertake sub-contracting work of the Group in research and production, and (3) dealers, distributors or sales channels who provided distribution and promotion services which are in the interests of long-term growth of the Group. The Board considers that providing performance incentives in the form of Options and/or Awards to the abovementioned service providers will motivate them to continuously devote resources towards the Group. With the equity-based remuneration in the form of grant of Shares, any increase in the future share price of the Company would increase the Grantees' benefits, thereby binding the interests of the service providers with the Group's interests in the long term.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such service provider or subcontractor, including but not limited to: (i) the value of the contracted amount by the service provider, supplier or subcontractor; (ii) the frequency of collaboration and length of business relationship with the Group, for instance, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (iii) 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); (iv) the background, reputation and track record; (v) the replacement cost of such service provider, supplier or subcontractor (including continuity and stability of provision of such services); and (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such service provider, supplier or subcontractor could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the services provided by such service provider, supplier or subcontractor.

(b) Consultants

Service Provider Participants under this category are consultants who provided consultancy services material and relevant to the Group's operations including but not limited to services in research and development, production and market advisory services. The Board considers that services provided by research and development, production and market advisory services consultants to the Group are on a continuing or recurring basis in its ordinary and usual course of business and in the interests of the long-term growth of the Group as:

- (i) the Company's research and development projects and cycles typically last for a substantial period of time before commercialisation of new products. Therefore, the grant of Options and/or Awards serves as a performance incentive to service providers in the area of research and development and would bind their interests with the Group's interest in the long term and drive continued innovation for the Group;
- (ii) the Company is a manufacturer with a high degree of vertical integration and attaches great importance to its production technology and production line efficiency. Therefore, engaging external long-term technical production consultants will improve the Group's manufacturing efficiency, ensure product quality and provide technical support to realise the Group's future automated production strategy. Granting performance rewards in the form of Options and/or Awards to such service providers will motivate them to continuously devote resources towards the Group and serves to bind their interests with the Group's interests in the long term; and
- (iii) the Company has global multichannel sales and distribution networks across key markets, including North America, Europe, Oceania and Asia, and in order to more effectively sell products and ensure the final realisation of products, the Company must acquire information on market and industry conditions and have strong market insight capabilities in the long term. Therefore, the Company requires the engagement of external market advisory consultants to understand global and local market changes in a timely manner to adjust the Group's direction of product development and promotional activities accordingly. Therefore, providing performance incentives in the form of Options and/or Awards to such service providers will motivate them to continuously devote resources towards the Group, help the Group timely and efficiently gauge market conditions, improve corporate efficiency and serves to bind the interests of the service providers with the Group's interests in the long term.

The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such consultant, including but not limited to: (i) individual performance of the relevant consultant; (ii) its knowledge, experience and network in the relevant industry; (iii) the frequency of collaboration and length of business relationship with the Group, for instance, whether the services are provided on a daily, weekly or monthly basis and the number of hours of services provided within the term; (iv) 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); (v) the background, reputation and track record of the relevant consultant; (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such consultant could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such consultant; (vii) the replacement cost of such consultant (including continuity and stability of provision of the necessary services); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant consultant, and/or the synergy between the relevant consultant and the Group.

In assessing whether a Service Provider Participant provides services of the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences of such services, the nature of the services provided to the Group by the Service Provider Participant, and whether such services form part of or are directly ancillary to the businesses conducted by the Group from time to time, as disclosed in the Company's announcements, circulars, interim and annual reports. The above categories of Service Provider Participants directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Provider Participants are closely connected to and crucial to the Group's day-to-day operations.

Based on the above, the Board (including the independent non-executive Directors) considers that (i) the basis of determination of the eligibility of participants aligns with the purposes of the Share Scheme because it will enable the Group to preserve its cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company of the one part and the Employee Participants, Related Entity Participants and Service Provider Participants of the other part, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group; (ii) the inclusion of the Related Entity Participants and proposed categories of Service Provider Participants as non-Employee Participants, and the grant of Shares to such participants, are in line with the Group's business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; (iii) by granting appropriate Share incentives to Service Provider Participants and Related Entity Participants, it will effectively facilitate the realisation of the Company's strategic development objectives and drive the performance growth, which will further mobilise the other employees of the Group, including the senior

management team, and core employees; (iv) the inclusion of the part-time employees of the Company is in line with the Company's business needs and industry norm, as the Board recognises their value and perceives their inclusion as desirable for their contribution made and to be made to the Group's sustainability and competitiveness, and, providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with additional rewards through their contributions, will bind the interests of such participants and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth; and (v) the criteria for selection of participants as set out above and the discretion afforded to the Board to impose different terms and conditions (including performance targets (if any) and vesting conditions, further details of which are set out in the section headed "11. Vesting Condition" of this Appendix) on Awards or Options granted to such selected participants, is appropriate and in the interest of the Company and the Shareholders as a whole, as the Board will be in a better position to assess the eligibility and contribution of each Related Entity Participant and Service Provider Participant, and determine the terms of grant to enable the purpose of the Share Scheme to be achieved.

4. MAXIMUM NUMBER OF NEW SHARES TO BE ISSUED IN RESPECT OF THE OPTIONS AND AWARDS

The Scheme Mandate Limit must not exceed 10% of the Shares in issue on the Adoption Date, within which the Service Provider Participant Sublimit shall not in aggregate exceed 1% of the total number of Shares in issue on the Adoption Date. Assuming the total number of the issued Shares on the Adoption Date is 511,053,811 Shares, the Scheme Mandate Limit and the Service Provider Participant Sublimit shall be 51,105,381 Shares and 5,110,538 Shares, respectively.

Options or Awards lapsed in accordance with the terms of the Share Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Participant Sublimit. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Participant Sublimit has been approved in general meeting of the Company, the maximum number of new Shares that may be issued in respect of all Options and Awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit or the Service Provider Participant Sublimit as a percentage of the total number of issued Shares as at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Service Provider Participant Sublimit is determined with reference to the potential dilution effect arising from grants to Service Provider Participants, the actual or expected increase in the Group's business which is attributable to Service Provider Participants, the extent of use of Service Provider Participants in the Group's business, and the amount of incentive that may be required for the Group to incentivise the Service Provider Participant to contribute to the success of the Group. As the Service Provider Participant Sublimit is not

highly dilutive, the Board considers the Service Provider Participant Sublimit to be appropriate and reasonable. The Service Provider Participant Sublimit is subject to separate approval by the Shareholders at the Extraordinary General Meeting.

The Company may seek the approval of the Shareholders in general meeting for “refreshing” the Scheme Mandate Limit and the Service Provider Participant Sublimit under the Share Scheme after three years from the date of Shareholders’ approval for the adoption of the Share Scheme or the last refreshment, whichever is later. Any refreshment within any three-year period must be approved by the Shareholders subject to the following provisions:

- (a) any controlling shareholders of the Company and their respective associates (or, if there is no such 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; and
- (b) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements under sub-sections (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share. The total number of new Shares which may be issued in respect of all Options and Awards to be granted under all of the schemes of the Company under the scheme mandate as refreshed must not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed scheme mandate. The Company must send to the Shareholders a circular containing the number of Options and Awards that were already granted under the existing Scheme Mandate Limit and the existing Service Provider Participant Sublimit, and the reason for the “refreshment”.

The Company may seek separate approval by the Shareholders in general meeting for granting Options or Awards beyond the Scheme Mandate Limit provided that the Options or Awards in excess of the Scheme Mandate Limit are granted only to participants specifically identified by the Company before such approval is sought. The Company must send to the Shareholders a circular containing the name of each specified participant who may be granted such Options or Awards, the number and terms of the Options or Awards to be granted to each participant, and the purpose of granting Options or Awards to the specified participants with an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of Options or Awards to be granted to such participants must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of grant for the purpose of calculating the exercise price.

5. LIMIT ON GRANTING OPTIONS AND AWARDS TO INDIVIDUAL PARTICIPANTS

Where any grant of Options or Awards to a participant would result in the new Shares issued and to be issued in respect of all Options and Awards, and other options and awards granted to such person (excluding any Options and Awards lapsed in accordance with the terms of the Share Scheme) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or, if the participant is a connected person, associates) abstaining from voting. The Company must send a circular to the Shareholders in connection therewith.

The said circular must disclose the identity of such participant, the number and terms of the Options or Awards to be granted (and those previously granted to such participant in the twelve (12)-month period), the purpose of granting Options or Awards to the participant and an explanation as to how the terms of the Options or Awards serve such purpose. The number and terms of the Options or Awards to be granted to such participant must be fixed before Shareholders' approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of grant for the purpose of calculating the exercise price.

6. GRANTING OPTIONS OR AWARDS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY, OR ANY OF THEIR RESPECTIVE ASSOCIATES

Any grant of Options or Awards to a Director or chief executive or substantial shareholder of the Company, or any of their respective associates under the Share Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options or Awards).

Where any grant of Awards (excluding grant of Options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the new Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Share Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting in the manner mentioned below. Where any grant of Options or Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of the Share Scheme), and all other options and awards granted under other scheme of the Company (excluding any other options and awards lapsed in accordance with the terms of such other scheme) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options or Awards must be approved by the Shareholders in general meeting in the manner mentioned below.

In connection with the aforesaid approvals by the Shareholders, the Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular must contain: (i) details of the number and terms of the Options or Awards to be granted to each participant, which must be fixed before the Shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options or Awards) 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) the other information required by Rule 17.04(5) of the Listing Rules. Any change in the terms of Options or Awards granted to a participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by Shareholders in the aforesaid manner if the initial grant of the Options or Awards requires such approval (except where the changes take effect automatically under the existing terms of the Share Scheme). The requirements for the grant to a Director or chief executive of the Company mentioned above do not apply where the participant is only a proposed Director or chief executive of the Company.

7. GRANT OF OPTIONS AND AWARDS

Subject to and in accordance with the provisions of the Share Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), 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, provided that no such Offer 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 any of the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine specifying the terms of the Option or Award which may include the number of Option or Award Shares, the Purchase Price or Exercise Price (as applicable), the vesting criteria and conditions, the Exercise Period, any minimum performance targets that must be achieved, the clawback mechanism for the Company to recover or withhold any Options or Awards granted to any Eligible Participants, and any such other details as the Company may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Offer Letter and be bound by the provisions of the Share Scheme. An Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-one (21) days from the date of offer.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Option or Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) as may be determined by the Board as 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 Option or Award 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. The relevant Option or Award Shares offered but not accepted shall lapse.

8. RESTRICTIONS ON THE OFFER TO GRANT OPTIONS OR AWARDS

No Offer to grant any Option or Award may be made:

- (a) where any requisite approval from any applicable regulatory authorities has not been obtained;
- (b) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Option or Award, or the Share Scheme, unless the Board determines otherwise;
- (c) where such Option or Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction (including the Listing Rules);
- (d) where inside information (as defined in the Listing Rules) has come to the knowledge of the Company until (and including) the Business Day after the Company has announced the information;
- (e) during the period commencing one month immediately before the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; and
- (f) during any period of delay in publishing a results announcement of the Company.

9. ISSUE OF NEW SHARES AND/OR ACQUISITION OF EXISTING SHARES TO SATISFY THE AWARDS

The Board shall determine on the Offer Date whether the Awards shall be satisfied by the allotment and issue of new Shares or the acquisition of existing Shares by way of on-market transaction. For the purposes of satisfying the Awards granted, the Company shall, as soon as reasonably practicable and no later than thirty (30) Business Days from the Offer Date, (i) in the case of the Board having determined on the Offer Date that the Awards shall be satisfied by the allotment and issue of new Share, allot and issue new Shares to the Trustee under the scheme mandate of the Share Scheme and/or (ii) in the case of the Board having determined on the Offer Date that the Awards shall be satisfied by the acquisition of existing Shares by way of on-market transactions, transfer to the Trustee the necessary funds and instruct the Trustee to acquire existing Shares by way of on-market transaction at the prevailing market price. The Company shall not allot or issue new Shares to satisfy Awards granted to connected persons of the Company without, where required, the approval of the disinterested Shareholders in accordance with the terms of the Share Scheme. The costs of such allotment or purchase of Shares shall be borne by the Company.

10. VESTING PERIOD

Under the Share Scheme, the Board has absolute discretion to set a minimum period (the “**Vesting Period**”) for which an Option or Award has to be held before it is vested. The Vesting Period shall not be less than twelve (12) months provided that the Options or Awards granted to Employee Participants may be subject to a shorter Vesting Period under the following circumstances (the “**Specific Circumstances**”):

- (a) grants of “make-whole” Awards to new joiners to replace the share benefits forfeited when leaving the previous employers;
- (b) grants to a participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (c) grants of Options or Awards with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons, which may include Awards that should have been granted earlier but had to wait for a subsequent batch;
- (e) grants of Options or Awards with a mixed or accelerated vesting schedule such as where the Options or the Awards may vest evenly over a period of twelve (12) months;

- (f) grants of Options or Awards with a total vesting and holding period of more than twelve (12) months; and
- (g) such other circumstances as specified in sections 17 and 18.

In any event, the Vesting Period for non-Employee Participants shall not be less than twelve (12) months. The Board's discretion to determine the Vesting Period, coupled with the power of the Directors to impose any performance target as it deem fit before the Option or Award is vested or other restrictions in respect of the Grant Shares (such as the lock-up period in respect of the Grant Shares as the Board may determine, during which period the Grantee shall not dispose of such Grant Shares), enable the Group to incentivise the Grantees to contribute to the success of the Group.

11. VESTING CONDITION

Options and Awards granted under the Share Scheme are subject to such terms and conditions as may be determined by the Board in its absolute discretion and specified in the Offer of an Option or Award. Such terms and conditions may include any vesting condition (the "**Vesting Condition**"), if any, which must be satisfied before an Option or Award shall become vested so that such Option becomes exercisable by the Option holder or the Award Shares can be vested unto and transfer to the Award holder (subject to payment of the relevant Purchase Price (if any) and Vesting Expenses (if any)). The Vesting Condition may be a time-based Vesting Condition and/or a performance-based Vesting Condition. Performance-based Vesting Condition requires the Grantee to meet certain performance target, which may be related to the revenue and/or profitability and/or the business goals of the Group or any business unit of the Group to be assessed based on the audited accounts or management account of the Group or the related business unit, or other method as the Board may determine in its absolute discretion. After the grant of an Award, the Board may in its absolute discretion amend any performance-based Vesting Condition if any event occurs which causes it to consider that the amended performance-based Vesting Condition would, in the absolute discretion of the Board, be a more accurate or reasonable measure of the performance of the Grantee.

The performance target(s) of a performance-based Vesting Condition should take such a form as the Board or the Remuneration Committee (as the case may be) may consider appropriate having regard to the key performance indicators, at corporate, subsidiary, division, operating unit, business line, project, geographic or individual level or otherwise, commonly adopted by businesses operating in the industries and markets in which the Group operates. Such performance targets may be set in terms of sales, revenue, cash flow, cash collection, funding costs, returns on investment, number of instances of commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Grantee as the Board or the Remuneration Committee (as the case may be) may determine from time to time.

The Board or the Remuneration Committee (as the case may be) will conduct assessment at the end of the actual performance period by comparing the performance of the relevant business segment(s) and/or (as the case may be) the actual individual performance of the relevant Grantee with the pre-determined target level(s) to determine whether or to what extent the target(s) has(have) been met, with reference to the position and role of the relevant Grantee in the Group to ensure a fair and objective assessment.

If the Vesting Conditions are not satisfied in full, the Option or the Award shall lapse automatically in respect of such proportion of Grant Shares which have not vested with effect from the date on which the Vesting Conditions are not satisfied.

12. EXERCISE PERIOD

The Board may determine in its absolute discretion the Exercise Period for any award of Options and/or Awards and such period shall be set out in the Offer Letter. However, the Exercise Period for any award of Share Options must not be longer than 10 years from the Grant Date.

13. EXERCISE PRICE AND PURCHASE PRICE

The Exercise Price at which an Option holder may subscribe for Shares upon the exercise of an Option shall be determined by the Board in its absolute discretion, and shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date.

The Board may in its absolute discretion determine whether the Award holder is required to pay any Purchase Price for the acquisition of the Award Shares and, if so required, the amount of the Purchase Price, after taking into account the practices of comparable companies and the effectiveness of the Share Scheme in attracting talents and motivating the Award holder to contribute to the long-term development of the Group. For the avoidance of doubt, the Board may determine the Purchase Price to be nil.

The Directors are of the view that the basis of determining the Exercise Price and Purchase Price aligns with the purposes of the Share Scheme to encourage Eligible Participants to contribute to the Company's long-term development and interests, and that the imposition of appropriate criteria for the Exercise Price and Purchase Price will strengthen the alignment of the interest of the Grantees and the Group.

14. RIGHTS ATTACHED TO THE OPTIONS AND AWARDS

Options or Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the Grant Shares unless and until such Option Shares are actually issued to the Grantee upon the exercise of the Option or such Award Shares are actually vested unto and transferred to the Grantee under the Award. Any Grant Shares shall rank *pari passu* in all respects with the fully-paid Shares in issue then exist on the date of transfer, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer and to exercise all voting rights in respect of such Shares.

15. TRANSFERABILITY OF OPTIONS AND AWARDS

An Option or Award must be personal to the Grantee, and shall not be transferrable or assignable unless a waiver is granted by the Stock Exchange. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option or Award, unless a waiver is granted by the Stock Exchange for such transfer. Where the Grantee is a company, any change of its controlling shareholder or any substantial change in its management (which is to be determined by the Board in its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid.

The Company may apply (but is not bounded to make any application) to the Stock Exchange for the aforesaid waiver to allow a transfer of the Option or Award to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Scheme and comply with other requirements of chapter 17 of the Listing Rules. In the event that the Stock Exchange so requires, the Company must disclose the beneficiaries of the trust or the ultimate beneficial owners of the vehicle.

16. RIGHTS ON CEASING EMPLOYMENT, RETIREMENT, DISABILITY OR ILL-HEALTH

If a Grantee is an employee or director of any member of the Group and in the event of such Grantee ceases to be a participant by reason of his/her resignation, expiry of employment contract, retirement, disability or ill-health or termination of his/her employment or directorship for any reason other than his/her death or on any of the grounds for termination of his/her employment or removal from the office of directorship as referred to in section 19(c) in this Appendix (the “**Grounds for Termination**”):

- (a) in the case of the Grantee being an Option holder, the Option (to the extent exercisable as at the date of such cessation but not yet exercised) shall lapse on the expiry of a one-month period (or, in the case of disability or ill-health, three-month period) after the date of cessation, and shall not be exercisable after the expiry of

such one-month period (or, in the case of disability or ill-health, three-month period) unless the Board otherwise determines in which event the Grantee may exercise the Option (to the extent exercisable as at the date of such cessation but not yet exercised) in whole or in part; and

- (b) in the case of the Grantee being an Award holder, then notwithstanding any other terms on which the Award was granted, the Board may determine in its absolute discretion, and will give all necessary notification to the Award holder about, whether following such cessation the Award (to the extent not already vested as at the date of such cessation) and the Related Income shall vest, and the date(s) on which any such vesting and, subject to payment of the relevant Purchase Price (if any) and Vesting Expenses (if any), any transfer of the vested Award Shares will occur.

Notwithstanding any contrary provisions set out in section 16(b) above, in using its discretion, the Board will take into consideration that the Vesting Period for an Option holder or Award holder shall not be less than twelve (12) months unless the employment of such Option holder or Award holder is terminated due to death, disability or occurrence of any out-of-control event as set out in section 10(b) above.

The one-month or three-month periods of expiry as stated in section 16(a) above were determined based on the expected reasonable period for exercising the Option upon the date of cessation to be a participant, taking into account (1) a longer period may be required in the case of disability or ill-health of the participants and (2) setting such expiry periods provides certainty and protects the interest of the Company and the Shareholders as a whole. The periods of expiry are also in line with the industry norm. In light of the above, the Board is of the view that the basis of determination is fair and reasonable, on normal commercial terms and in the interest of the Company.

For this purpose, the date of cessation will be taken to be the last day on which the Grantee was actually at work with the relevant member of the Group whether salary or compensation is paid in lieu of notice or not.

17. RIGHTS ON DEATH

If a Grantee is an employee or director of any member of the Group and in the event of such Grantee ceases to be a participant by reason of the person's death and none of the Grounds for Termination has occurred:

- (a) in the case of the Grantee being an Option holder, the legal personal representative(s) of the Option holder may exercise any Option (to the extent exercisable as at the date of death but not yet exercised) within a period of twelve (12) months from the date of death or such other period as the Board may determine; and

- (b) in the case of the Grantee being an Award holder, then notwithstanding any other terms on which the Award was granted, the Board may determine in its absolute discretion, and will give all necessary notification to the legal personal representative(s) of the Award holder about, whether following such death the Award (to the extent not already vested as at the date of death) and the Related Income shall vest, and the date(s) on which any such vesting and, subject to payment of the relevant Purchase Price (if any) and Vesting Expenses (if any), any transfer of the vested Award Shares will occur.

In the event that the Board, in its discretion, allows a Vesting Period for an Option and/or an Award granted to an Employee Participant being shorter than twelve (12) months following the aforesaid circumstances, the Board considers its use of discretion as reasonable given (i) the Grantee ceased to be a participant by reason of their death, a circumstance out of their control, and none of the Grounds for Termination has occurred; and (ii) the Grantee can no longer contribute to the Group due to the out-of-control event and accordingly it would be fair to accelerate the Vesting Period of Options and/or the Awards so that, at the time of making the grant to the Grantee, the Grantee would be provided with security for the vesting of such Options and/or Awards in the occurrence of an out-of-control event.

18. RIGHT ON A CORPORATE TRANSACTION

- (a) If there is an event of change in control of the Company as a result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Company shall at its sole discretion determine whether the vesting dates of any Awards to Employee Participants will be accelerated and/or determine such conditions or limitations to which the exercise of such Award will be subject.
- (b) For the purpose of section 18(a), “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

In the event that the Board, in its discretion, allows a Vesting Period for an Option and/or an Award granted to an Employee Participant being shorter than twelve (12) months following the aforesaid circumstances, the Board considers its use of discretion as reasonable given (i) in the case of a change of control of the Company, it would be fair to accelerate the Vesting Period of Options and/or Awards to give Grantees an opportunity to benefit from or participate in the major corporate event of the Company as holders of Shares, which reassures the Grantees of their incentives being protected and binds their long-term interests with those of the Group; and (ii) in case of a dissolution or liquidation of the Company, it would be fair to accelerate the Vesting Period of Options and/or Awards if the dissolution or liquidation occurs before the end of their respective Vesting Periods.

19. LAPSE OF OPTION AND AWARD

An Option and an Award shall lapse automatically (to the extent not already vested), and, in the case of Option, not be exercisable (to the extent not already exercised) on the earliest of:

- (a) subject to the provisions of sections 16 to 18 in this Appendix, the expiry of the Exercise Period or Vesting Period;
- (b) the expiry of any of the periods referred to in sections 16 to 18 in this Appendix;
- (c) save as otherwise determined by the Board, the date on which the Grantee, being an employee or a director of a member of the Group, ceases to be a participant by reason of a termination of his/her employment or removal from his/her office of directorship on any one or more of the grounds (as may be determined by the Board in its absolute discretion) that he has been guilty of persistent or serious misconduct, or has become bankrupt or has made any arrangement or composition with his/her creditors generally or undertakes analogous proceedings, 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 Company and its subsidiaries into disrepute);
- (d) in the case of the Grantee being a Related Entity Participant or Service Provider Participant, the date on which the Board in its absolute opinion determines that the Grantee (i) in the case of the Grantee who is a Related Entity Participant, the Grantee ceases to be associated with the Related Entity as a result of resignation, termination, dismissal or retirement; (ii) there has been a breach of contract entered into between the Grantee and any member of the Group; (iii) has committed an act of bankruptcy or has become insolvent or is subject to any winding up, liquidation or analogous proceedings or has made an arrangement or composition with his/her creditors generally; (iv) the Grantee can no longer make any contribution to the growth and development of the Group by reason of the cessation of its relationship with the Group; (v) the Grantee has committed any serious misconduct; or (vi) the Grantee has directly or indirectly involved or engaged in any business which competes or likely to compete with the business of any member of the Group, or has solicited or enticed away any suppliers, customers or employees from any member of the Group;
- (e) in respect of an Option or Award which are subject to performance or other Vesting Condition(s), the date on which the condition(s) to vesting are not capable of being satisfied;
- (f) the date on which the Grantee commits a breach of any restriction on transfer or others as mentioned in section 15 of this appendix; and

- (g) the date on which the Grantee is found to be resident in a place where the grant of the Award or the Option to him, the vesting and transfer of the Award Shares and/or the Related Income to him, the exercise of the Option by him, and/or the issue of the Option Shares to him pursuant to the terms of the Share Scheme is not permitted under the laws and regulations of such place or where in the absolute opinion of the Board or the Trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Grantee.

20. EFFECTS OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whether by way of capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital, such corresponding alterations (if any) shall be made to:

- (a) the number of Shares subject to the Option so far as unexercised or the Award so far as unvested; and/or
- (b) the Exercise Price or the Purchase Price (if any); and/or
- (c) in the event of a consolidation and subdivision of the share capital of the Company, the Scheme Mandate Limit and the Service Provider Participant Sublimit,

in such manner which must give a Grantee the same proportion of the issued share capital of the Company, rounded to the nearest whole Share, as that to which the Grantee was previously entitled, provided that no such adjustments may be made to the extent that a Share would be issued at less than its nominal value (if any), and no such adjustment should be made to the advantage of the Grantee without specific Shareholders' approval. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules.

21. CANCELLATION OF OPTIONS OR AWARDS

The Board may, with the consent of the relevant Grantee, in its absolute discretion cancel any Option or Award granted. Where the Company cancels an Option or Award and makes a new grant of Option or Award to the same Grantee, such new grant may only be made under the Share Scheme with available Scheme Mandate Limit (and, if applicable, the Service Provider Participant Sublimit) approved by the Shareholders as mentioned above. The Options and Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Participant Sublimit.

22. ALTERATION OF THE SHARE SCHEME

The terms and conditions of the Share Scheme may be altered by resolution of the Board except that:

- (a) any alteration to the terms and conditions of the Share Scheme which are of a material nature or any alteration to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees or the participants must be approved by the Shareholders in general meeting;
- (b) any alteration to the terms of the Option or Award granted to a Grantee 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 or Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where such alteration takes effect automatically under the existing terms of the Share Scheme;
- (c) any change to the authority of the Board to alter the terms of the Share Scheme must be approved by the Shareholders in general meeting,

provided that (i) the amended terms of the Share Scheme, the Options or the Awards must still comply with the requirements of the Listing Rules and (ii) if such alteration shall operate to affect adversely the terms of issue of any Option or Award granted or agreed to be granted prior to such alteration, such alteration will be further subject to the Grantee's approval in accordance with the terms of the Share Scheme.

23. CLAWBACK MECHANISM

Where certain events specified in the Scheme Rules arise, the Board may determine that, with respect to a Grantee, Options or Awards granted but not yet exercised shall immediately lapse, and with respect to any Shares delivered or amount paid to the Grantee, the Grantee be required to transfer the same value, whether in Shares and/or cash, back to the Company (or its nominee). These circumstances are:

- (a) the granting of any Option or Award, or its becoming exercisable or vested was based on material misstatements in financial statements or any other materially inaccurate performance metric criteria;
- (b) the performance forming the basis on which grant of the Option or the Award, or its becoming exercisable or vested has been proved not genuine;
- (c) any terms and conditions set out in the Scheme Rules and the Offer Letter in respect of such Option or Award were not satisfied;

- (d) the Grantee ceasing to be an Eligible Participant by reason of termination for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty;
- (e) the Grantee commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or
- (f) the Option or Award to the Grantee will no longer be appropriate and aligned with the purpose of the Share Scheme.

The Directors are of the view that the above clawback mechanism enables the Company to clawback awards (or the Award Shares) received by those Grantees that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or Shareholders' best interests to incentivise them with proprietary interests of the Company under the Share Scheme, nor would the Company consider such Grantees benefiting under the Share Scheme to align with the purpose of this scheme. As such, the Company considers this clawback mechanism appropriate and reasonable.

24. DURATION AND TERMINATION OF THE SHARE SCHEME

The Share Scheme shall be valid and effective for the period (the "Term") (i) commencing on the Adoption Date, subject to the fulfilment of the conditions set out in section 2 in this Appendix, and (ii) ending on the earlier of the 10th anniversary of the Adoption Date or the date of early termination of the Share Scheme as mentioned below. The Company by ordinary resolution in general meeting or the Board may in its absolute discretion terminate the operation of the Share Scheme at any time before the 10th anniversary of the Adoption Date. After the expiry of the Term, no further Options or Awards may be granted but the provisions of the Share Scheme shall remain in full force and effect in all other respects in respect of Options and Awards granted prior to such expiry, which shall continue to be exercisable, and able to be vested, after the expiry of the Term in accordance with their terms of grants.

25. ADMINISTRATION

The Board will have the responsibility for administering the Share Scheme. The Company may appoint one or more Trustees to assist with the administration, granting and vesting of the Awards, and may, to the extent permitted by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) and the Listing Rules, (a) allot and issue new Shares to the Trustee and/or (b) direct and procure the Trustee to purchase existing Shares by the way of on-market transaction, in either case to satisfy the Awards upon vesting. The Company shall, to the extent permitted by the Companies Ordinance, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of the Awards. If a Trustee is appointed, the related trust deed shall provide that the Trustee holding unvested Shares under the Share Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Chervon Holdings Limited 泉峰控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 2285)

Notice is hereby given that an extraordinary general meeting of Chervon Holdings Limited (the “**Company**”) will be held on Tuesday, February 20, 2024 at 10 a.m. at 99 West Tian-yuan Road, Nanjing, China for the following purposes:

Ordinary resolutions

1. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT:**

- (i) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the 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 vesting and/or exercise of any share awards and/or share options (the “**Awards**”) that may be granted under the share scheme of the Company (the “**Share Scheme**”, a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification), the Share Scheme be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Scheme including without limitation:
 - (a) to administer the Share Scheme under which Awards will be granted to eligible persons under the Share Scheme;
 - (b) to modify and/or amend the Share Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
 - (c) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the vesting and/or exercise of Awards and subject to the Listing Rules;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares which may thereafter from time to time be issued and allotted pursuant to the vesting and/or exercise of the Awards; and
 - (e) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Scheme;
 - (ii) the Scheme Mandate Limit as defined in the Share Scheme (being 10% of the Shares in issue as at the date of adoption of the Share Scheme) be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as he/she may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit; and
 - (iii) subject to provisions in the Share Scheme, and any waiver or ruling granted by the Stock Exchange, no Award shall be granted to any participant if, at the time of the grant, the number of Shares issued and to be issued in respect of all options and awards granted to the eligible participants in the twelve (12) months period up to and including the Grant Date as defined in the circular dated February 2, 2024 would exceed 1% of the total number of Shares in issue as at the Grant Date.”
2. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“THAT:

conditional upon the passing of ordinary resolution numbered 1 above, the Service Provider Participant Sublimit (as defined in the Share Scheme) on the total number of Shares that may be issued in respect of all Awards to be granted to Service Provider Participants (as defined in the Share Scheme) under the Share Scheme or all other share option schemes or share award schemes of the Company (i.e. 1% of the Shares in issue as at the date of passing this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Participant Sublimit.”

By order of the Board
Chervon Holdings Limited
PAN Longquan
Chairman

Hong Kong, February 2, 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and on a poll, vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the extraordinary general meeting. A proxy does not need to be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy 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, must be deposited at the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (spot-emeeting.tricor.hk) using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, February 15, 2024 to Tuesday, February 20, 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the extraordinary general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar 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 Wednesday, February 14, 2024.
5. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
6. References to time and dates in this notice are to Hong Kong time and dates.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our headquarters at 99 West Tian-yuan Road, Jiangning Economic and Technological Development Zone, Nanjing, China. If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company’s share registrar and transfer office as follows:

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
HK Tel: (852) 2980 1333
from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays)

As at the date of this announcement, the board of directors of the Company comprises Mr. PAN Longquan, Ms. ZHANG Tong, Mr. KE Zuqian and Mr. Michael John CLANCY as executive directors; and Mr. TIAN Ming, Dr. LI Minghui and Mr. JIANG Li as independent non-executive directors.