
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Stella International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Stella International Holdings Limited
九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A Notice of AGM to be held virtually using Computershare Online platform at <http://meetings.computershare.com/StellaAGM2024> at 3:00 p.m. on Thursday, 9 May 2024 is set out in this Circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3:00 p.m. on Tuesday, 7 May 2024 (Hong Kong time)) 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 at the Annual General Meeting via Online Platform if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.stella.com.hk>).

* For identification purpose only

GUIDANCE FOR THE ANNUAL GENERAL MEETING

VIRTUAL AGM

The Company will conduct a virtual Annual General Meeting using Computershare Online Platform — <http://meetings.computershare.com/StellaAGM2024> (the “**Online Platform**”), which allows Shareholders to participate in the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form to the Annual General Meeting via their mobile phones, tablet, or computers. Shareholders can refer to the invitation letter to be disseminated together with this circular and the Online Meeting User Guide for details of online voting at the Annual General Meeting. If you have any queries on the above, please contact the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Saturday and Hong Kong public holidays).

ATTENDING THE AGM BY MEANS OF ELECTRONIC FACILITIES

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can achieve this in one of the following ways:

- (1) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
- (2) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Your proxy’s authority and instruction will be revoked if you attend and vote via the Online Platform.

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

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DEFINITIONS

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

“2017 Share Award Plan”	the share award plan approved and adopted by the Board on 16 March 2017 providing for the grant by the Company of share awards using existing Shares and/or new Shares to be issued by the Company, which the Board has resolved to terminate with effect from the conclusion of the AGM
“2024 Share Award Scheme”	the share award scheme approved and adopted by the Board on 21 March 2024 providing for the grant by the Company of share awards using existing Shares, which will come into effect upon the conclusion of the AGM
“2017 Share Option Scheme”	the existing scheme of the Company approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 19 May 2017 involving the grant by the Company of options over Shares
“2024 Share Option Scheme”	the share option scheme of the Company proposed to be approved and adopted by the Shareholders at the AGM involving the grant by the Company of options over Shares
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held by way of electronic means at 3:00 p.m. on Thursday, 9 May 2024, the notice of which is set out on pages 63 to 70 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Board Diversity Policy”	the board diversity policy of the Company established to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group, which includes a policy on selection and nomination of Directors

DEFINITIONS

“Companies Act”	the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Stella International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 5% of the total number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	3 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining the information contained herein
“Listing Committee”	the listing sub-committee of the Directors of the Stock Exchange elected or appointed in accordance with the Articles of Association of the Stock Exchange and, where the context so permits, any committee or sub-committee thereof
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for Shares to be granted under the 2024 Share Option Scheme

DEFINITIONS

“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Senior Manager”	a senior manager disclosed from time to time in the Company’s annual report as required under paragraph 12 of Appendix D2 to the Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Scheme”	any scheme that may be adopted by the Company from time to time providing for the grant by the Company of share awards using new Shares to be issued by the Company or the grant by the Company of options over Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



Stella International Holdings Limited 九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

Executive Directors:

Mr. Chen Li-Ming, Lawrence
Mr. Chi Lo-Jen
Mr. Gillman Charles Christopher
Mr. Chiang Yi-Min, Harvey

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Bolliger Peter
Mr. Chan Fu Keung, William, *BBS*
Mr. Yue Chao-Tang, Thomas
Ms. Shi Nan Sun
Ms. Wan Sin Yee, *Sindy*

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

Flat C, 20/F,
MG Tower,
133 Hoi Bun Road,
Kowloon, Hong Kong

11 April 2024

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND ADOPTION OF NEW SHARE OPTION SCHEME**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, inter alia, ordinary resolutions on (a) grant of the General Mandate and the Repurchase Mandate; (b) re-election of the Directors; (c) termination of the 2017 Share Option Scheme; and (d) adoption of the 2024 Share Option Scheme.

* *For identification purpose only*

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE AND REPURCHASE MANDATE

Pursuant to the ordinary resolutions passed by the then Shareholders at the last annual general meeting of the Company held on 11 May 2023, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 5% of the total number of Shares in issue on the date of passing of the relevant ordinary resolution at a discount not exceeding 5%; and (b) a general unconditional mandate to repurchase Shares not exceeding 10% of the total number of Shares in issue on the date of passing of the relevant ordinary resolution.

The above general mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, the following resolutions, among other matters, will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 5% of the total number of Shares in issue on the date of passing of such resolution (such total number of Shares to be subject to adjustment in the event of any subdivision or consolidation of Shares after the date of passing of such resolution). On the basis that 804,578,000 Shares were in issue as at the Latest Practicable Date and assuming no Shares will be issued or repurchased prior to the Annual General Meeting and there will be no subdivision or consolidation of Shares, the maximum number of Shares to be allotted and issued pursuant to the General Mandate will be 40,228,900 Shares; and
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue on the date of passing of such resolution (such total number of Shares to be subject to adjustment in the event of any subdivision or consolidation of Shares after the date of passing of such resolution). On the basis that 804,578,000 Shares were in issue as at the Latest Practicable Date and assuming no Shares will be issued or repurchased prior to the Annual General Meeting and there will be no subdivision or consolidation of Shares, the maximum number of Shares to be repurchased pursuant to the General Mandate will be 80,457,800 Shares.

LETTER FROM THE BOARD

Each of the General Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the date of passing of the relevant resolution granting the mandate; (b) the expiration of the period within which the next annual general meeting following the date of passing of the relevant resolution granting the mandate is required by the Companies Act or the Articles of Association to be held; and (c) the date on which the mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting.

The Directors wish to state that they have no immediate plan to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the 2017 Share Option Scheme or to be granted under the 2024 Share Option Scheme and under any scrip dividend scheme which may be approved by the Shareholders.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with article 87(1) of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Article 87(2) of the Articles of Association further provides that a retiring Director shall be eligible for re-election. Accordingly, Mr. Chi Lo-Jen, Mr. Chan Fu Keung, William, *BBS* and Ms. Shi Nan Sun will retire by rotation as Directors and, being eligible, offer themselves for re-election at the Annual General Meeting.

Biographical information of Mr. Chi Lo-Jen, Mr. Chan Fu Keung, William, *BBS*, and Ms. Shi Nan Sun is set out in Appendix II to this circular.

On 20 March 2024, the Nomination Committee of the Board made recommendations to the Board on the re-election of the retiring Directors by the Shareholders at the AGM, having reviewed the Board's composition and noted that such Directors were each eligible for nomination and re-election under the Articles of Association and the Board Diversity Policy. As members of the Nomination Committee, Mr. Chan Fu Keung, William, *BBS* and Ms. Shi Nan Sun had abstained from voting on the recommendation on their respective re-election. Such recommendations were made in accordance with the policy on selection and nomination of Directors as incorporated into the Board Diversity Policy, and took into account the diversity aspects (including, without limitation, gender, age, cultural and educational background, ethnicity, professional experience, competencies, skills, geographical network capabilities and cross-border experiences).

LETTER FROM THE BOARD

In particular, in relation to the re-election of independent non-executive Directors, the Nomination Committee took into consideration the experience and expertise of Mr. Chan Fu Keung, William, *BBS* and Ms. Shi Nan Sun, the service they had provided to the Company over the years, and the perspectives and skills they could continue to bring. Noting that Mr. Chan and Ms. Shi possessed extensive experience in the human resources profession and the media industry respectively, the Nomination Committee considered that they could continue to make substantive contribution to the corporate governance of the Company, and the inclusion of them as members of the Board would be central to the maintenance of Board diversity. The Nomination Committee was also satisfied that Mr. Chan and Ms. Shi remained independent on the basis of the independence guideline set out in Rule 3.13 of the Listing Rules. Among others, the Nomination Committee did not consider the long service of Mr. Chan to be a factor that would detract from his independence. Appointed on 1 September 2012, Mr. Chan has been serving the Company as an independent non-executive Director for more than 11 years. Throughout his tenure, Mr. Chan has devoted the requisite attention and time to the governance and management of the Company and provided independent views and advice within his areas of expertise, demonstrating exemplary performance of duties as an independent non-executive Director.

Accordingly, the Nomination Committee and the Board considered each of the retiring Directors to be a suitable candidate for re-election as an executive Director or (as the case may be) independent non-executive Director, and the continuation of their directorship would be in the interest of the Company and the Shareholders as a whole.

TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

(A) BACKGROUND

The 2017 Share Option Scheme was approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 19 May 2017. The total number of Shares that may be allotted and issued upon exercise of all options that may be granted under the 2017 Share Option and any other schemes must not in aggregate exceed 79,437,950 Shares, representing 10% of the Shares in issue as at the date of approval of the 2017 Share Option Scheme. As at the Latest Practicable Date, options to subscribe for 79,058,000 Shares had been granted under the 2017 Share Option Scheme, of which options to subscribe for 8,813,500 Shares had lapsed in accordance with the terms of the 2017 Share Option Scheme. The scheme mandate limit of the 2017 Share Option Scheme has been largely utilised, with only options to subscribe for 9,193,450 Shares available for grants under the 2017 Share Option Scheme as at the Latest Practicable Date. To enable the Company to make further grants of share options to eligible participants as and when appropriate as additional motivation for making continuous contribution to the Group's development, the Board has proposed the 2024 Share Option Scheme for approval and adoption by the Shareholders at the AGM.

LETTER FROM THE BOARD

In addition, the Directors noted that Chapter 17 of the Listing Rules, which contains provisions governing, among others, share option schemes of listed issuers, has been amended with effect from 1 January 2023 (the “**Amendments**”). To ensure that all share scheme(s) of the Company will be in line with the prevailing requirements under the Listing Rules and for ease of administration and compliance, it is proposed that the existing 2017 Share Option Scheme should be terminated upon adoption of the 2024 Share Option Scheme.

Contemporaneously, the Board has resolved to terminate the 2017 Share Award Plan and replace it with the 2024 Share Award Scheme with effect from the conclusion of the AGM. The 2017 Share Award Plan was approved and adopted by the Board on 16 March 2017 and provides for the grant by the Company of share awards using existing Shares and/or new Shares to be issued by the Company. In accordance with the guidance of the Stock Exchange, where a listed issuer has adopted a share award scheme involving issues of new shares by the listed issuer before the effective date of the Amendments without seeking any scheme mandate or advanced specific mandate from shareholders, the listed issuer may only make grants of share awards under the share award scheme up to the date of the second annual general meeting after 1 January 2023. The decision to terminate the 2017 Share Award Plan was made by the Board in view of the fact that the 2017 Share Award Plan would become outdated on the day immediately following the date of the AGM. No share award had been granted under the 2017 Share Award Plan since its adoption and up to the Latest Practicable Date, and the Board confirms that it has no intention to grant any share award under the 2017 Share Award Plan prior to the AGM. The 2024 Share Award Scheme provides for the grant by the Company of share awards using existing Shares only and is not subject to Shareholders’ approval in accordance with Chapter 17 of the Listing Rules. Adoption of the 2024 Share Award Scheme will enable the Company to grant share awards to eligible participants as and when appropriate to encourage them to make continuous contribution to the Group’s development. As at the Latest Practicable Date, no trustee has been appointed for the purposes of the administration and implementation of the 2024 Share Award Scheme. The Company will appoint independent third party(ies) as trustee(s) to administer the 2024 Share Award Scheme as and when appropriate, and any such trustee holding unvested shares under the 2024 Shares Award 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.

LETTER FROM THE BOARD

(B) TERMINATION OF 2017 SHARE OPTION SCHEME

Adopted on 19 May 2017, the 2017 Share Option Scheme shall remain in force for a period of 10 years from the adoption date, i.e. until 18 May 2027. Pursuant to the provisions of the 2017 Share Option Scheme, the Company may by resolution at general meeting at any time terminate the operation of the 2017 Share Option Scheme. Accordingly, a resolution will be proposed at the AGM to terminate the 2017 Share Option Scheme upon adoption of the 2024 Share Option Scheme, such that the Company will not have any effective share scheme that is inconsistent with the prevailing requirements under the Listing Rules, and can administer its share scheme(s) and monitor compliance with the applicable requirements will greater ease and efficiency.

As at the Latest Practicable Date, options to subscribe for 79,058,000 Shares had been granted by the Company under the 2017 Share Option Scheme, among which options to subscribe for 8,813,500 Shares had lapsed, options to subscribe for 11,499,500 Shares had been exercised and options to subscribe for 58,745,000 Shares remained outstanding. The table below sets forth further details of such outstanding share options granted under the 2017 Share Option Scheme:

Name of category of participants	Date of grant	Vesting date	Exercise period	Exercise price per Share	Balance as at Latest Practicable Date
Director					
Mr. Chi Lo-Jen	26 November 2020	26 November 2021	26 November 2021 to 25 November 2030	9.15	316,500
	26 November 2020	26 November 2022	26 November 2022 to 25 November 2030	9.15	316,500
	26 November 2020	26 November 2023	26 November 2023 to 25 November 2030	9.15	316,500
	19 March 2021	19 March 2022	19 March 2022 to 18 March 2031	9.46	500,000
	19 March 2021	19 March 2023	19 March 2023 to 18 March 2031	9.46	500,000
	19 March 2021	19 March 2024	19 March 2024 to 18 March 2031	9.46	500,000
	3 January 2022	3 January 2023	3 January 2023 to 2 January 2032	9.10	500,000
	3 January 2022	3 January 2024	3 January 2024 to 2 January 2032	9.10	500,000
	3 January 2022	3 January 2025	3 January 2025 to 2 January 2032	9.10	500,000

LETTER FROM THE BOARD

Name of category of participants	Date of grant	Vesting date	Exercise period	Exercise price per Share	Balance as at Latest Practicable Date
	17 March 2023	17 March 2024	17 March 2024 to 16 March 2033	7.65	500,000
	17 March 2023	17 March 2025	17 March 2025 to 16 March 2033	7.65	500,000
	17 March 2023	17 March 2026	17 March 2026 to 16 March 2033	7.65	500,000
Mr. Chiang Yi-Min, Harvey	26 November 2020	26 November 2021	26 November 2021 to 25 November 2030	9.15	226,500
	26 November 2020	26 November 2022	26 November 2022 to 25 November 2030	9.15	226,500
	26 November 2020	26 November 2023	26 November 2023 to 25 November 2030	9.15	226,500
	19 March 2021	19 March 2022	19 March 2022 to 18 March 2031	9.46	400,000
	19 March 2021	19 March 2023	19 March 2023 to 18 March 2031	9.46	400,000
	19 March 2021	19 March 2024	22 March 2024 to 18 March 2031	9.46	400,000
	3 January 2022	3 January 2023	3 January 2023 to 2 January 2032	9.10	400,000
	3 January 2022	3 January 2024	3 January 2024 to 2 January 2032	9.10	400,000
	3 January 2022	3 January 2025	3 January 2025 to 2 January 2032	9.10	400,000
	17 March 2023	17 March 2024	17 March 2024 to 16 March 2033	7.65	400,000
	17 March 2023	17 March 2025	17 March 2025 to 16 March 2033	7.65	400,000
	17 March 2023	17 March 2026	17 March 2026 to 16 March 2033	7.65	400,000

LETTER FROM THE BOARD

Name of category of participants	Date of grant	Vesting date	Exercise period	Exercise price per Share	Balance as at Latest Practicable Date	
Mr. Gillman Christopher Charles	26 November 2020	26 November 2021	26 November 2021 to 25 November 2030	9.15	226,500	
	26 November 2020	26 November 2022	26 November 2022 to 25 November 2030	9.15	226,500	
	26 November 2020	26 November 2023	26 November 2023 to 25 November 2030	9.15	226,500	
	19 March 2021	19 March 2022	19 March 2022 to 18 March 2031	9.46	150,000	
	19 March 2021	19 March 2023	19 March 2023 to 18 March 2031	9.46	150,000	
	19 March 2021	19 March 2024	19 March 2024 to 18 March 2031	9.46	150,000	
	3 January 2022	3 January 2023	3 January 2023 to 2 January 2032	9.10	150,000	
	3 January 2022	3 January 2024	3 January 2024 to 2 January 2032	9.10	150,000	
	3 January 2022	3 January 2025	3 January 2025 to 2 January 2032	9.10	150,000	
	17 March 2023	17 March 2024	17 March 2024 to 16 March 2033	7.65	150,000	
	17 March 2023	17 March 2025	17 March 2025 to 16 March 2033	7.65	150,000	
	17 March 2023	17 March 2026	17 March 2026 to 16 March 2033	7.65	150,000	
	Subtotal					11,758,500

LETTER FROM THE BOARD

Name of category of participants	Date of grant	Vesting date	Exercise period	Exercise price per Share	Balance as at Latest Practicable Date
Employees	15 April 2020	18 March 2022	18 March 2022 to 5 July 2027	8.71	900,000
	15 April 2020	17 March 2023	17 March 2023 to 5 July 2027	8.71	900,000
	26 November 2020	26 November 2021	26 November 2021 to 25 November 2030	9.15	2,080,000
	26 November 2020	26 November 2022	26 November 2022 to 25 November 2030	9.15	2,500,000
	26 November 2020	26 November 2023	26 November 2023 to 25 November 2030	9.15	2,694,000
	19 March 2021	19 March 2022	19 March 2022 to 18 March 2031	9.46	3,569,500
	19 March 2021	19 March 2023	19 March 2023 to 18 March 2031	9.46	3,580,000
	19 March 2021	19 March 2024	19 March 2024 to 18 March 2031	9.46	3,940,000
	3 January 2022	3 January 2023	3 January 2023 to 2 January 2032	9.10	3,555,000
	3 January 2022	3 January 2024	3 January 2024 to 2 January 2032	9.10	3,825,000
	3 January 2022	3 January 2025	3 January 2025 to 2 January 2032	9.10	4,860,000
	17 March 2023	17 March 2024	17 March 2024 to 16 March 2033	7.65	3,488,000
	17 March 2023	17 March 2025	17 March 2025 to 16 March 2033	7.65	5,370,000
	17 March 2023	17 March 2026	17 March 2026 to 16 March 2033	7.65	5,710,000
	Subtotal				
Consultants providing consultancy services to the Group	3 January 2022	3 January 2023	3 January 2023 to 2 January 2032	9.10	0
	3 January 2022	3 January 2024	3 January 2024 to 2 January 2032	9.10	0
	3 January 2022	3 January 2025	3 January 2025 to 2 January 2032	9.10	15,000
Subtotal					<u>15,000</u>
Total					<u><u>58,745,000</u></u>

LETTER FROM THE BOARD

The Board confirms that it has no intention to grant any further share option under the 2017 Share Option Scheme prior to the AGM.

Other than the 2017 Share Option Scheme and the 2017 Share Award Plan, the Company had not adopted any share option scheme or share award scheme which was effective as at the Latest Practicable Date. Save as disclosed above, there was no outstanding option, warrant or convertible security that entitled the holder to subscribe for Shares as at the Latest Practicable Date.

As provided in the 2017 Share Option Scheme, upon its termination, no further share options may be offered under the 2017 Share Option Scheme, but in all other respects the provisions of the 2017 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options granted prior thereto (to the extent not already exercised) or otherwise as may be required in accordance with the provisions of the 2017 Share Option Scheme. The share options outstanding as at the Latest Practicable Date as disclosed above shall continue to be governed by and valid and exercisable in accordance with the provisions of the 2017 Share Option Scheme.

Further details of the 2017 Share Option Scheme and its provisions are set forth in the circular of the Company dated 31 March 2017.

(C) ADOPTION OF 2024 SHARE OPTION SCHEME

A resolution will be proposed at the AGM to approve and adopt the 2024 Share Option Scheme such that the Company can continue to make grants of share options to appropriate eligible participants as part of its remuneration package and employee incentive scheme, notwithstanding the almost full utilisation of the existing scheme mandate limit granted by the Shareholders to which the grants of share options under the 2017 Share Option Scheme are subject.

The full provisions of the 2024 Share Option Scheme are set out in Appendix III to this circular. Such provisions will also be published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.stella.com.hk>) for a period of not less than 14 days commencing on the date of this circular and ending on the date of the AGM, and made available for inspection at the AGM. The relevant resolution to be proposed at the AGM will approve and adopt the 2024 Share Option Scheme as set out in Appendix III to this circular.

LETTER FROM THE BOARD

Terms of the 2024 Share Option Scheme

The purposes of the 2024 Share Option Scheme are (i) to enable the Company to grant Options to the eligible participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the Shareholders to promote the long-term financial and business performance of the Group. In particular, pursuant to the terms of the 2024 Share Option Scheme,

- the eligible participants whom the Board may invite to take up Options under the 2024 Share Option Scheme include employee participants only, i.e. employees (whether full time or part time, and including directors other than the independent non-executive Directors) of the Company or any of its subsidiaries (including persons who are granted Options under the 2024 Share Option Scheme as an inducement to enter into employment contracts with these companies).

The eligibility of an employee to the offer of Options shall be determined by the Board from time to time on a case-by-case basis based on its opinion as to his actual performance at work and previous and potential future contribution to the development and growth of the Group, taking into account, among others, (i) his skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his role, position and job duties; (iii) his performance, time commitment, employment conditions and the prevailing market practice and industry standards; (iv) his length of engagement or employment with the Group; and (v) the prevailing circumstances and business needs of the Group at the relevant times.

The Options granted to a grantee shall be personal to the grantee. In the event of the grantee ceasing to be an employee participant by reason of his death before exercising the Options granted in full, his personal representative(s) (i.e. persons who are entitled to exercise the Options granted to the grantee in accordance with the laws of succession applicable in respect of the death of the grantee) may exercise the Options (to the extent vested but not already exercised) in whole or in part within a period of 24 months following the date of cessation of employment, or such a longer period as the Board may determine. The arrangement is in line with Article 52 of the Articles of Association, which provides that if a Shareholder dies, his legal personal representatives (assuming the Shareholder is the sole holder of the relevant Shares) will be the only persons recognised by the Company as having any title to his interest in the shares. In any event, the Options shall not be transferable or assignable by the grantee or his personal representative(s) in accordance with Rule 17.03(17) of the Listing Rules.

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- a grantee may exercise the Options granted to him and subscribe for the Shares only, among others, on or after the vesting date. The vesting period in respect of an Option, which shall commence on the date on which the grantee accepts the offer of the Option and end on the vesting date, shall not be shorter than 12 months from the date of acceptance of the offer.

The Remuneration Committee (where the grantee is a Director or a Senior Manager) or the Board (where the grantee is an employee participant in any other capacity) may set a shorter vesting period if it is considered that a shorter vesting period is appropriate to align the grant with the purposes of the 2024 Share Option Scheme, including only grants

- (i) of 'make-whole' Options to employee participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (ii) to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) of Options with performance-based vesting conditions provided in the 2024 Share Option Scheme, in lieu of time-based vesting criteria; and
- (iv) that are made in batches during a year for administrative and compliance reasons, which may include Options that should have been granted earlier but are in the end granted on a subsequent date together with some other Options as a batch; in this case, the vesting date may be adjusted to take account of the point in time at which the Options should have been granted if not for such administrative and compliance reasons.

LETTER FROM THE BOARD

The Board and the Remuneration Committee consider that each of the above constitutes an exceptional circumstance where a shorter vesting period is warranted. In particular, a shorter vesting period provides fairness under scenario (i) and is a show of care under scenario (ii), and the Company, as a considerate employer, will thus inspire respect and devotion from its employees. Under scenario (iii), the Company will be able to flexibly structure the vesting mechanisms of particular Options granted having regard to the specific nature of the roles, positions and job duties of the relevant grantees and the prevailing circumstances and business needs of the Group at the relevant times, thereby ensuring that the relevant grantees will be effectively incentivised to stay with the Group and make further contribution. Under scenario (iv), the Company will also enjoy greater administrative efficiency in operating the 2024 Share Option Scheme which will help further the attainment of the purposes of the scheme. Hence, such arrangements, with the flexibility they accord, align with the purposes of the 2024 Share Option Scheme;

- the Remuneration Committee (where the grantee is a Director or a Senior Manager) or the Board (where the grantee is an employee participant in any other capacity) may establish performance target(s) the attainment of which shall be a precondition for any exercise of the Options granted to the grantee concerned. The Remuneration Committee (or, as the case may be, the Board) shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance target(s) during an option period if there is any change in circumstances.

LETTER FROM THE BOARD

The performance target(s) to be attached to an Option should take such a form as the Remuneration Committee (or, as the case may be, the Board) may consider appropriate having regard to the key performance indicators, at Group, Company, subsidiary, division, department, operating unit, business line and/or project (collectively, the “**Business Units**”) levels, geographic levels, individual levels and/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, results of operations (gross, net or otherwise), returns to Shareholders, cash collection, funding costs, returns on investment, number of instances of commencement and completion of projects, customer satisfaction metrics, or such other parameters, key performance indicators of the Business Unit(s) to which the relevant Grantee belongs, personal appraisal results or matters relevant to the individual roles and responsibilities of the relevant Grantee as the Remuneration Committee (or, as the case may be, the Board) may determine from time to time. The Board is of the view that it is not practicable to set out with specificity descriptions of the target levels and performance-related measures in the 2024 Share Option Scheme, as each grantee plays a different role in the Group and could potentially contribute to the management and operation of the Group in diverse ways. The Board believes that it is advisable for the Company to retain flexibility in determining whether and to what extent each of the above proposed performance targets is relevant or appropriate in respect of each grantee.

The Remuneration Committee (or, as the case may be, the Board) will conduct assessment at the end of the actual performance period by comparing the performance of the relevant Business Unit(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 performance target(s) has(have) been met. Such pre-determined target level(s) may be set by the Remuneration Committee (or, as the case may be, the Board) on a case-by-case basis with reference to factors including the specific position and role of the relevant grantee in the Group, and the overall business plan and strategy and expected financial performance of the Group during the relevant period. Where a performance target is set in quantitative term, the performance target will be deemed to be met only if the actual level achieved reaches or exceeds the pre-determined target level. Alternatively, where a performance target is set in qualitative term, the Remuneration Committee (or, as the case may be, the Board) will carry out a performance appraisal and the performance target will be deemed to be met only if the performance is rated “A” (i.e. excellent) or “B” (i.e. great) on a scale of “A” to “F”. As a precondition for exercise of an Option granted, all quantitative and qualitative performance targets attached thereto must have been determined by the Remuneration Committee (or, as the case may be, the Board) to be met in accordance with the above mechanism, which decision shall be final, conclusive and binding on all persons who may be affected thereby.

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The Remuneration Committee (or, as the case may be, the Board) will carefully review the prevailing external and internal operating environments of the Group and the business plans, strategies, objectives and targets formulated by the Group from time to time, and assess whether the prescribed performance target(s) attached to the Options granted have to be upgraded to address any such change in circumstances. Such adjustments will be made where the Remuneration Committee (or, as the case may be, the Board) considers that more advanced or onerous performance target(s) should be set with a view to motivating the relevant grantee to step up his effort and dedication and/or to contribute over a longer period of time, so as to address the Group's business needs. When determining the adjustments, the Remuneration Committee (or, as the case may be, the Board) will take into account the individual circumstances of the grantee, including without limitation his position and performance records. Regard will also be given to the proportionality of the adjustments relative to the change in circumstances, so as to ensure that the adjustments made will be fair and reasonable. In accordance with Rule 17.03(18) of the Listing Rules, any change to the terms of any Options granted to a grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders at a general meeting (as the case may be) if the initial offer of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders at a general meeting (as the case may be).

An Option shall not be exercisable until, among others, the Remuneration Committee (or, as the case may be, the Board) have determined that the performance target(s) attached thereto has(have) been attained. In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained, the Option shall never become exercisable and shall lapse forthwith;

- the Board may further provide in the notice of offer that any Option prior to it being exercised may be subject to clawback or a longer vesting period if any of the following clawback events shall occur during the option period
 - (i) there being any material misstatement in the audited consolidated financial statements of the Company that requires a restatement;
 - (ii) the grantee being guilty of fraud or any other form of persistent or serious misconduct; or

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- (iii) where performance target(s) has(have) been attached to the Options, the Board being of the opinion that there exists any circumstance which shows that any of the prescribed performance targets has been set in a materially inaccurate manner or that leads to any of the prescribed performance targets being irrelevant, inapplicable or inappropriate.

In any such event, the Board may by notice in writing to the grantee concerned

- (aa) claw back such number of Options granted to the grantee (to the extent not already exercised) as the Board may consider appropriate; and/or
 - (bb) extend the vesting period (regardless of whether the initial vesting date has occurred) in relation to all or any of the Options granted to the grantee (to the extent not already exercised) to such a longer period as the Board may consider appropriate; and
- the price per Share at which a grantee may subscribe for the Share on the exercise of an Option shall be determined at the discretion of the Board, provided that it must be at least the highest of
 - (i) 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;
 - (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
 - (iii) the nominal value of a Share.

LETTER FROM THE BOARD

In summary, under the 2024 Share Option Scheme, Options may be offered by the Board to such employees as it may from time to time at its discretion determine on a case by case basis. Any such offer of Options is in itself a formal and official recognition of, and a show of appreciation for, the dedication and excellence the relevant grantees have demonstrated and delivered in their respective positions, and such rewards could help increase their loyalty to the Group and motivate to contribute further to the development and growth of the Group. In addition, the Board is given the authority to determine the terms and conditions in respect of the Options that may be granted, and any exercise of the Options will be subject to, among others, fulfilment of such terms and conditions, including particularly the occurrence of the vesting date (which shall not be less than 12 months from the date of acceptance of the offer unless under exceptional circumstances (i.e. the events numbered (i) to (iv) set forth in paragraph 4.10 of the rules of the 2024 Share Option Scheme)) and the attainment of the performance target(s) specified. Such arrangements will serve to incentivise the grantees to continue to service the Group over a relatively long term and deliver quality performance. The mechanism in place for clawback of the Options granted in events such as serious misconduct or material misstatement in the Company's financial statements will provide effective deterrence against undesirable behaviour by the grantees at or outside work and safeguard the value of the Group. As the subscription price at which the grantees can exercise the Options offered is benchmarked against the prevailing market price of the Shares on or around the offer date, the grantees, who as directors and employees of the Group can exert direct influence on the formulation of strategies and the business operations of the Group, will be encouraged to stay with the Group and strive for continuous improvement in the Group's operational and financial performances and growth in Share price, such that they will be able to reap rewards from exercise of the Options granted. Upon exercise of the Options, the grantees, as then Shareholders themselves, will have the opportunity to share the results achieved by the Group and be rewarded for their effort at work, and they will therefore have added incentives to work towards continuous improvements in business performance, sound corporate governance and sustainable growth of the Group. All of the above, collectively, will cause the grantees to have aligned interests with the Shareholders to drive the Group towards long-term growth. Accordingly, the Directors consider that the provisions of the 2024 Share Option Scheme can effectively serve the purposes of the scheme and it is in the interest of the Company to approve and adopt the 2024 Share Option Scheme.

LETTER FROM THE BOARD

Operation of the 2024 Share Option Scheme

The 2024 Share Option Scheme will be administered by the Board. No trustee will be appointed in connection with the operation of the 2024 Share Option Scheme. With respect to the operation of the 2024 Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules from time to time.

The Company has sought legal advice on the applicability of the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Ordinance**”). As advised by the Hong Kong legal advisers of the Company, the Directors understand that as the offer of Options under the 2024 Share Option Scheme will only be made by the Company to employees (including directors other than the independent non-executive Directors) of the Company or any of its subsidiaries on the terms that the only persons who can exercise the Options and accordingly subscribe for the Shares will be the grantees themselves, this circular containing details of and relating to such an offer does not fall within the definition of a “prospectus” and is not subject to the prospectus requirements under the Ordinance. The Board will ensure that the applicable requirements under the Ordinance will be fully complied with when administering the 2024 Share Option Scheme.

If the 2024 Share Option Scheme is approved and adopted by the Shareholders at the AGM, taking into account the number of Shares in issue as at the Latest Practicable Date of 804,578,000 Shares and assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to and including the date of the AGM, a total of 80,457,800 Shares may be issued in respect of all Options that may be granted under the 2024 Share Option Scheme and all options and awards that may be granted under any other Share Scheme(s), representing approximately 10% of the total number of Shares in issue as at the date of approval of the 2024 Share Option Scheme. Subject to adoption of the 2024 Share Option Scheme, the Company may seek approval of the Shareholders at a general meeting for refreshing the above scheme mandate limit, or for granting Options under the 2024 Share Option Scheme beyond the above scheme mandate limit or (if applicable) the refreshed limit, provided that all applicable requirements specified in the provisions of the 2024 Share Option Scheme and the Listing Rules are complied with.

As at the Latest Practicable Date, the Company did not have any plan to grant Options to any eligible participants after adoption of the 2024 Share Option Scheme. Further announcement(s) will be made by the Company as and when appropriate in connection with grants of Share Options in accordance with Rule 17.06A of the Listing Rules.

LETTER FROM THE BOARD

Conditions precedent of the 2024 Share Option Scheme

The 2024 Share Option Scheme is conditional upon

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the scheme mandate limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2024 Share Option Scheme; and
- (b) the passing of the relevant resolution to approve and adopt the 2024 Share Option Scheme at the AGM.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such number of Shares representing the scheme mandate limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2024 Share Option Scheme.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of Annual General Meeting is set out on pages 63 to 70 of this circular.

All the resolutions set out in the notice of the Annual General Meeting will be decided by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, in accordance with the Listing Rules.

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can achieve this in one of the following ways:

- (i) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
- (ii) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Every Shareholder attending via Online Platform or by proxy shall be entitled to one vote for each share held by him/her.

LETTER FROM THE BOARD

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

A form of proxy for use at the Annual General Meeting is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.stella.com.hk>). 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 branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3: 00 p.m. on Tuesday, 7 May 2024 (Hong Kong time)) 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 Annual General Meeting via the Online Platform and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

After the conclusion of the Annual General Meeting, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.stella.com.hk>)

RECOMMENDATIONS

The Board considers that the resolutions in respect of the proposed grant of the General Mandate and Repurchase Mandate, re-election of Directors, termination of the 2017 Share Option Scheme and adoption of the 2024 Share Option Scheme to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

GENERAL INFORMATION

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

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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

MISCELLANEOUS

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

Yours faithfully,
By order of the Board
Stella International Holdings Limited
Chen Li-Ming, Lawrence
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such companies proposed to be repurchased on the Stock Exchange must be fully paid up and the shareholders of the companies must have given a specific approval or a general mandate to its directors to make the repurchases by way of an ordinary resolution passed at a general meeting duly of the company duly convened and held.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 804,578,000 Shares in issue.

The Repurchase Mandate will enable the Directors to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant ordinary resolution at the Annual General Meeting (such total number of Shares to be subject to adjustment in the event of any subdivision or consolidation of Shares after the date of passing of such resolution, provided that the maximum numbers of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of Shares in issue at the dates immediately before and after such consolidation or subdivision shall be the same). Subject to the passing of the proposed resolution granting the Repurchase Mandate and assuming that no Shares will be issued or repurchased prior to the Annual General Meeting and there will be no subdivision or consolidation of Shares, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 80,457,800 Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. Any exercise of the Repurchase Mandate may result in a decrease in the issued number of shares of the Company, which may in turn enhance the net asset value per Share and/or earnings per Share of the Company. Such repurchases will only be made when the Directors believe that repurchase of Shares will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Act, other applicable laws of the Cayman Islands and the Listing Rules. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the Companies Act, repurchases by the Company may only be made out of the profits of the Company, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or repurchase over the par value of the Shares to be repurchased must be provided for out of profits of the Company or the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2023, being the date up to which its latest published audited consolidated financial statements were made up, in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which is not, in the opinion of the Directors from time to time, appropriate for the Company.

6. SHARE PRICES

During each of 12 months preceding the Latest Practicable Date and up to the Latest Practicable Date, the highest and lowest prices at which the Shares had been traded on the Stock Exchange are as follows:

	Highest Price	Lowest Price
	<i>HK\$</i>	<i>HK\$</i>
2023		
April	8.70	8.01
May	8.33	7.43
June	7.80	7.10
July	8.10	7.39
August	8.41	7.63
September	8.25	7.64
October	9.03	7.79
November	10.1	8.80
December	9.90	9.09
2024		
January	10.76	9.31
February	10.98	9.50
March	12.60	10.62
April (<i>up to and including Latest Practicable Date</i>)	12.92	11.70

7. UNDERTAKING

The Directors undertake that they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of the Cayman Islands and the regulations set out in the memorandum of association of the Company and the Articles of Association.

8. CONNECTED PERSON

None of the Directors and, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Share to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/it has any present intention to sell any Share to the Company or has undertaken not to sell any Share held by him/it to the Company, in the event that the grant of the Repurchase Mandate to the Directors is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. To the best of the knowledge, information and belief of the Directors, based on the shareholding structure of the Company as at the Latest Practicable Date and assuming no further change in the issued share capital or the shareholding structure of the Company, no Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of the exercise in whole or in part of the powers of repurchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that would result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% as required under the Listing Rules.

10. SHARE REPURCHASE MADE BY THE COMPANY

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

11. CONFIRMATION OF NO UNUSUAL FEATURE

The Directors confirm that neither the explanatory statement on the Repurchase Mandate set forth in this Appendix I nor any share repurchases proposed to be made under the Repurchase Mandate has any unusual feature.

The following sets out the biographical information of the Directors who, being eligible, offered themselves for re-election at the Annual General Meeting:

EXECUTIVE DIRECTOR

CHI Lo-Jen, aged 52, is an executive Director of the Company and the Chief Executive Officer of the Group and the chairman of the Executive Committee of the Board. Mr. Chi joined the Group in 1995 and has over 29 years of experience in the footwear industry, during which he gained brand exposure in all aspects of the Group's operations including the fashion, casual and fashion athletic businesses. He is currently responsible for supervising the daily operations and business development of the Group's fashion footwear division and branding division. Mr. Chi has been instrumental in expanding the high-fashion customer base for the Group. He also oversees product design and commercialisation. Mr. Chi also took the lead in developing the Group's new fashion athletic footwear business – its main growth driver. Mr. Chi studied mechanical engineering at Carnegie Mellon University in the United States. He is also a director of certain subsidiaries of the Company which are engaged in design and marketing activities, manufacturing and branding business. Mr. Chi is the cousin of the executive Director, Chiang Yi-Min, Harvey.

Save as disclosed above, Mr. Chi did not hold any other position in the Group as at the Latest Practicable Date. Save as disclosed above, in the three years preceding the Latest Practicable Date, Mr. Chi had not been a director of any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Chi was (i) directly interested in 1,783,500 Shares which were held by him personally and (ii) 5,449,500 share options granted under the 2017 Share Option Scheme, out of which 3,949,500 Options were vested but not yet exercised. Save as disclosed above, as at the Latest Practicable Date, Mr. Chi (a) had no other interests in the Shares, underlying Shares or debentures of the Company, which were required to be disclosed under Part XV of the SFO; and (b) was not related to any other Directors, senior management, substantial or controlling Shareholder (as defined in the Listing Rules) of the Company.

Mr. Chi has entered into a service agreement (the “**Service Agreement**”) with the Company under which he serves the Company in the capacity of an executive Director for a term of two years commencing from 15 June 2013, renewable automatically for successive terms of two years, unless terminated by not less than six months’ notice in writing served by either party. Mr. Chi is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Under the Service Agreement, Mr. Chi is entitled to an annual director’s fee of HK\$360,000 with effect from 1 January 2024. Mr. Chi has also entered into an employment contract (the “**Employment Contract**”) with a wholly-owned subsidiary of the Company under which he assumes the position of Vice President for a term of two years commencing from 15 June 2013, renewable automatically for successive terms of two years, unless terminated by not less than six months’ notice in writing served by either party. Under the Employment Contract, Mr. Chi is entitled to an annual remuneration of US\$412,500 and is eligible for a discretionary management bonus and other allowances. The director’s fee and remuneration, as mentioned above, are subject to annual adjustment, and together with discretionary management bonus (if any), are subject to review by the remuneration committee of the Board and approval by the Board with reference to his performance, the profitability of the Group and the remuneration benchmarks in the industry.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

There are no other matters concerning the re-election of Mr. Chi that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN Fu Keung, William, *BBS*, aged 75, is an independent non-executive Director of the Company, and the chairman of the Remuneration Committee and a member of the Audit Committee, the Corporate Governance Committee and the Nomination Committee of the Board. Mr. Chan was a member of the Executive Directorate and the Human Resources Director of the MTR Corporation Limited (Stock Code: 66) (the “**MTR Corporation**”), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1996 and 1998 respectively until July 2012 when he retired from the MTR Corporation after 23 years of service. As Human Resources Director of the MTR Corporation, he was responsible for overseeing human resources management, succession planning, organisation development, operations and management training, administration and security management of the MTR Corporation. Prior to joining the MTR Corporation, Mr. Chan held senior management positions in the commercial, utility and public sectors in Hong Kong, including the Hong Kong Government, the Hong Kong Productivity Council, Hutchison Whampoa Limited and Hong Kong Telecommunications Limited. He is a member of the Remuneration Committee of the West Kowloon Cultural District Authority and a non-executive director of the Urban Renewal Authority Board. He was a member of the Hospital Authority Board from December 2012 to November 2018. Currently he is a director of CU Medical Centre Limited and a member of the Hospital Governing Committee of the Grantham Hospital. Since August 2015, Mr. Chan has been appointed as an independent non-executive director of Analogue Holdings Ltd (Stock Code: 1977), which is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited since July 2019. Mr. Chan received a Bachelor of Social Science degree from the University of Hong Kong in 1971. Mr. Chan has been appointed as an independent non-executive Director of the Company since September 2012.

Save as disclosed above, Mr. Chan did not hold any other position in the Group as at the Latest Practicable Date. Save as disclosed above, in the three years preceding the Latest Practicable Date, Mr. Chan had not been a director of any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Chan has been appointed by the Company by way of an appointment letter for a term of three years commencing from 1 January 2022 and ending on 31 December 2024 unless terminated by not less than six months’ notice in writing served by either party. Mr. Chan is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Pursuant to the appointment letter, Mr. Chan shall be entitled to a fee and allowance for his services as determined by the Board from time to time. Accordingly, Mr. Chan is entitled to an annual director’s fee of HK\$613,000. The director’s fee for Mr. Chan is determined by the Board following review by the remuneration committee of the Board with reference to her skill, knowledge and expected involvement in the Group’s affairs, profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions.

As at the Latest Practicable Date, Mr. Chan was directly interested in 100,000 shares. Save as disclosed above, as the Latest Practicable Date, Mr. Chan had no other interests in the Shares, or debentures of the Company which were required to be disclosed under Part XV of the SFO. Mr. Chan did not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Chan has served as an independent non-executive Director for more than 11 years. Throughout his tenure, Mr. Chan has devoted requisite attention and time to the governance and management of the Company and provided independent views and advice within his areas of expertise, demonstrating exemplary performance of duties as an independent non-executive Director. In addition to his written confirmation of independence in accordance with Rule 3.13 of the Listing Rules, the Nomination Committee is satisfied that Mr. Chan has the required character and integrity to continue fulfilling his responsibilities as an independent non-executive Director. The Nomination Committee did not consider the long service of Mr. Chan to be a factor that would detract from his independence. In this regard, the Nomination Committee and Board considered that the re-election of Mr. Chan as an independent non-executive Director is in the best interests of the Company and the Shareholders as a whole, and therefore recommends his re-election at the Annual General Meeting.

There are no other matters concerning the re-election of Mr. Chan that need to be brought to the attention of the Shareholders.

SHI Nan Sun, aged 72, is an independent non-executive Director of the Company and a member of the Nomination Committee of the Board. Ms. Shi is the founder and the executive director of Film Workshop Co., Ltd. She has over 40 years of experience in the film industry and has produced or co-produced numerous Chinese-language movies, including serving as the executive producer of *Infernal Affairs* (which was remade into the Hollywood film, *The Departed*). In addition, Ms. Shi has held senior positions in several entertainment and media companies in Hong Kong, including Cinema City Company Ltd. from 1981 to 1987 as controller with overall responsibility for production, distribution and administration. From 1991 to 1996 she was with the CIM Group, where her responsibilities included the establishment of joint ventures in the PRC and the launch of Chinese Television Network. From 2006 to 2012, Ms. Shi served as a director of Bona Film Group Limited (a company listed on the NASDAQ Stock Market and privatised in May 2016). From 2001 to 2003, she served as an executive director of eSun Holdings Limited (Stock Code: 571), a company listed on the Main Board of the Stock Exchange. Ms. Shi was a member of the Hong Kong Tourism Board from April 2013 to March 2019. Ms. Shi is a vice chairman of the End Child Sexual Abuse Foundation. Ms. Shi holds a Bachelor's degree in Statistics and Computing from the Polytechnic of North London. Ms. Shi has been appointed as an independent non-executive Director of the Company since January 2019.

Save as disclosed above, Ms. Shi did not hold any other position in the Group as at the Latest Practicable Date. Save as disclosed above, in the three years preceding the Latest Practicable Date, Ms. Shi had not been a director of any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Shi has been appointed by the Company by way of an appointment letter for a term of three years commencing from 16 January 2022 and ending on 15 January 2025 unless terminated by not less than six months' notice in writing served by either party. Ms. Shi is also subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Pursuant to the appointment letter, Ms. Shi shall be entitled to a fee and allowance for her services as determined by the Board from time to time. Accordingly, Ms. Shi is entitled to an annual director's fee of HK\$415,000. The director's fee for Ms. Shi is determined by the Board following review by the remuneration committee of the Board with reference to her skill, knowledge and expected involvement in the Group's affairs, profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions.

As at the Latest Practicable Date, Ms. Shi did not have any interests in the Shares, underlying shares or debentures of the Company which were required to be disclosed under Part XV of the SFO. Ms. Shi did not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

There are no other matters concerning the re-election of Ms. Shi that need to be brought to the attention of the Shareholders.



Stella International Holdings Limited
九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

RULE RELATING TO
THE SHARE OPTION SCHEME

I, Chen Li-Ming, Lawrence, chairman of the board of directors of Stella International Holdings Limited (九興控股有限公司*), hereby certify, pursuant to paragraph 2.4 of the rules of the share option scheme attached hereto, that the condition set out in paragraph 2.1(b) of such rules was satisfied on the date set out below and that such date is the “Adoption Date” as defined in such rules:

Adoption Date:

2024

Name : Chen Li-Ming, Lawrence

Position : Director

* For identification purpose only

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1. DEFINITIONS

1.1 In this Scheme the following expressions shall have the following meanings:

“1% Individual Limit”	has the meaning ascribed to it in paragraph 9.3;
“Adoption Date”	the date on which this Scheme is adopted upon fulfilment of the condition set out in paragraph 2.1(b);
“associate”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors of the Company from time to time;
“Award”	Shares granted or to be granted under any Share Award Scheme;
“Business Day”	a day (other than any Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities;
“close associate”	has the meaning ascribed to it under the Listing Rules;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“core connected person”	has the meaning ascribed to it under the Listing Rules;
“Company”	Stella International Holdings Limited (九興控股有限公司*), a company incorporated under the laws of the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
“Director”	a director of the Company from time to time;
“Eligible Participant”	a person who is invited by the Board to take up Options as referred to in paragraph 4.1;
“Employee Participants”	employees (whether full time or part time, and including directors other than the INEDs) of the Company or any of its Subsidiaries (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with these companies), and “Employee Participant” shall mean any of them;

“Grant”	includes offer, issue and grant of Options under this Scheme;
“Grantee”	an Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in paragraph 7.4(a)) his Personal Representative(s);
“Group”	collectively, the Company and its subsidiaries from time to time, and “member(s) of the Group” shall be construed accordingly
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“INED”	an independent non-executive Director from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	an offer for the grant of an Option made in accordance with paragraph 4.4;
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant;
“Option”	an option to subscribe for a Share granted pursuant to this Scheme;
“Option Period”	in respect of an Option, the period (which must not be more than 10 years from the Offer Date of that Option) to be determined and notified by the Board to the Grantee thereof within which the Option may be exercised by the Grantee under this Scheme and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option is cancelled or lapses under the provisions of paragraph 8; and (ii) 10 years from the Offer Date of that Option;
“Participant Vehicle”	shall have the meaning ascribed to it in paragraph 7.1(b);

“Personal Representative”	a person who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is entitled to exercise the Options granted to such Grantee (to the extent not already exercised);
“Remuneration Committee”	the remuneration committee of the board of Directors;
“Scheme Life”	shall have the meaning ascribed to it in paragraph 3.3;
“Scheme Mandate Limit”	shall have the meaning ascribed to it in paragraph 9.1;
“Senior Manager”	a senior manager disclosed from time to time in the Company’s annual report as required under paragraph 12 of Appendix D2 to the Listing Rules (as may be amended from time to time);
“Share”	an ordinary share of a par value of HK\$0.10 in the share capital of the Company, or, if there has been a subdivision, consolidation, re-classification or reduction of the share capital of the Company, a share forming part of the ordinary equity share capital of the Company of a corresponding nominal amount as shall result from such a subdivision, consolidation, re-classification or reduction;
“Shareholder”	a holder of Share(s);
“Share Award Scheme”	any scheme that may be adopted by the Company from time to time providing for the grant by the Company of share awards using new Shares to be issued by the Company;
“Share Option Scheme”	any scheme that may be adopted by the Company from time to time providing for the grant by the Company of options over Shares;
“Share Scheme(s)”	collectively, this Scheme, the Share Award Scheme(s) and the Share Option Scheme(s), if any;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for the Share on the exercise of an Option, as determined in accordance with paragraph 6.1;
“Subsidiaries”	companies which are from time to time subsidiaries (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the People’s Republic of China or any other jurisdiction, and “Subsidiary” shall be construed accordingly;
“Termination Date”	the date which is ten (10) years after the Adoption Date;
“this Scheme”	this Share Option Scheme (involving the grant of options over Shares) in its present form or as may be amended from time to time in accordance with paragraph 14;
“Vesting Date”	in relation to a Grantee, the earliest date on which the Options (or a tranche thereof) granted to him may, subject to the attainment of the performance target(s) attached to the Options as determined by the Remuneration Committee (or, as the case may be, the Board) under paragraph 5.2 and other conditions imposed under the provisions of this Scheme, be exercised by the Grantee, pursuant to which Shares (or separate tranches of Shares) may be subscribed for pursuant to the terms of such Options;
“Vesting Period”	in relation to a Grantee, the period commencing on the date on which the Grantee accepts the Offer of the Options and ending on the Vesting Date (both dates inclusive); and
“\$”	Hong Kong dollar, the lawful currency of Hong Kong.

1.2 In this Scheme,

- (a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;
- (b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing one gender include both genders and the neuter and vice versa;
- (e) references to persons include bodies corporate and unincorporated;
- (f) references to any statutory provision or rule prescribed by any statutory body shall include the same as from time to time amended, consolidated and re-enacted; and
- (g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. CONDITIONS

2.1 This Scheme is conditional upon

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing the Scheme Mandate Limit to be issued and allotted by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme; and
- (b) the passing of the necessary resolution(s) to approve and adopt this Scheme at a general meeting of the Company or by way of written resolution(s) of all Shareholders.

2.2 If the condition referred to in paragraph 2.1(a) is not satisfied on or before the date falling 30 days after the Adoption Date, this Scheme shall forthwith determine and no person shall be entitled to any right or benefit or under any obligation under or in respect of this Scheme.

2.3 Reference in paragraph 2.1(a) to the Listing Committee of the Stock Exchange granting the listing and permission referred to therein shall include any such listing or permission which is granted subject to the fulfilment of any condition precedent or condition subsequent.

- 2.4 A certificate of a Director that the conditions set out in paragraph 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as at any particular date and the exact date of the Adoption Date shall be conclusive evidence of the matters certified.

3. PURPOSE, DURATION AND ADMINISTRATION

- 3.1 The purposes of this Scheme are (i) to enable the Company to grant Options to the Eligible Participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the Grantees with those of the Shareholders to promote the long-term financial and business performance of the Group.
- 3.2 This Scheme shall be subject to the administration of the Board whose decisions on all matters arising in relation to this Scheme or its interpretation or effect shall (save for the grant of Options referred to in paragraph 4.2 which shall be approved in the manner referred to therein, or save as otherwise provided herein) be final, conclusive and binding on all persons who may be affected thereby.
- 3.3 Subject to paragraphs 2 and 15, this Scheme shall be valid and effective for the period commencing on the Adoption Date and ending on the Termination Date (the “**Scheme Life**”), after which period no further Options may be issued but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the vesting and exercise of all Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.4 A Grantee shall ensure and, by accepting an Offer, shall be deemed to have represented and undertaken to the Company, that the acceptance of an Offer, the vesting, holding and exercise of his Options in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Options and the holding of such Shares are and will be valid and will comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Board may, as a condition precedent of making an Offer and allotting a Share upon the exercise of an Option, require an Eligible Participant to produce such evidence as they may reasonably require for such purpose.

4. GRANT OF OPTIONS

- 4.1 Subject to paragraph 4.2, the Board shall, in accordance with the provisions of this Scheme and the Listing Rules, be entitled but shall not be bound at any time during the Scheme Life to make an Offer to any person who is an Employee Participant to subscribe, and no person other than the Eligible Participant named in such an Offer may subscribe, for such number of Shares at such Subscription Price as the Board shall, subject to paragraphs 6 and 10, determine.

The eligibility of an employee to the offer of Options shall be determined by the Board from time to time on a case-by-case basis based on its opinion as to his actual performance at work and previous and potential future contribution to the development and growth of the Group, taking into account, among others, (i) his skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his role, position and job duties; (iii) his performance, time commitment, employment conditions and the prevailing market practice and industry standards; (iv) his length of engagement or employment with the Group; and (v) the prevailing circumstances and business needs of the Group at the relevant times.

For the avoidance of doubt, the grant of any option by the Company for the subscription of any Share or other security of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Board otherwise determines, be construed as a grant of Option under this Scheme.

- 4.2 Without prejudice to paragraph 9.4 below, the Offer of Options to any Director, chief executive or substantial shareholder of the Company or any of their respective associates, must be approved by the INEDs. The requirements applicable to the Offer to a Director or chief executive of the Company set out in this paragraph 4.2 do not apply where options are proposed to be granted to a proposed Director or proposed chief executive of the Company.
- 4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution to the development and growth of the Group.
- 4.4 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, either generally or on a case-by-case basis, specifying the number of Shares, the Option Period and the Vesting Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Options on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.

4.5 An Offer shall set out, in addition to the matters specified in paragraph 4.4, the following:

- (a) the name, address and position of the Eligible Participant;
- (b) the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
- (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Periods in respect of separate parcels of Shares underlying the Offer;
- (d) the Vesting Date (or the earliest Vesting Date and the subsequent Vesting Date(s), if any) on which the Grantee may start to exercise the Options granted to him and subscribe for Shares (or, as the case may be, separate tranches of Shares) underlying the Offer;
- (e) the last date by which the Offer must be accepted (which may not be later than 21 days from the Offer Date);
- (f) the procedures for acceptance;
- (g) the performance targets (if any, including without limitation to those mentioned in paragraph 5 of this Scheme) that must be attained by the Grantee before any Option can be exercised;
- (h) such other terms and conditions of the Offer as may be imposed by the Board (or in respect of Employee Participants who are Directors or Senior Managers, by the Remuneration Committee) as are not inconsistent with this Scheme and the relevant provisions of the Listing Rules; and
- (i) a statement requiring the Eligible Participant to undertake to hold the Options on the terms on which it is to be granted and to be bound by the provisions of this Scheme including, without limitation, the conditions specified in paragraphs 3.4, 7.1 and 16.9 to 16.12, inclusive.

- 4.6 An Offer shall be deemed to be accepted by an Eligible Participant in respect of all the Options which are offered to such an Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable. The date on which the duplicate letter and the remittance are actually received by the Company shall be the date of acceptance of such Options for the purpose of paragraph 4.10.
- 4.7 Any Offer may be accepted by an Eligible Participant in respect of part only of the Options which are offered to such an Eligible Participant, provided that the number of Options accepted is clearly stated in the duplicate letter comprising partial acceptance of the Offer duly signed by the Eligible Participant. The Offer shall be deemed to be so accepted when such a duplicate letter together with a remittance in favour of the Company of \$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable. The date on which the duplicate letter and the remittance are actually received by the Company shall be the date of acceptance of such Options for the purpose of paragraph 4.10.
- 4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.6 or 4.7, the Options to subscribe for the number of Shares in respect of which the Offer has been so accepted will be deemed to have been granted by the Company to such an Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.6 or 4.7, it will be deemed to have been irrevocably declined.
- 4.9 The Option Period of an Option may not end later than ten (10) years from the Offer Date of that Option.
- 4.10 The Vesting Period in respect of any Option granted to any Grantee shall not be shorter than 12 months from the date of acceptance of the Offer, provided that
- (a) where the Grantee is an Employee Participant who is a Director or a Senior Manager specifically identified by the Company, the Remuneration Committee shall; or
 - (b) where the Grantee is an Employee Participant who is neither a Director nor a Senior Manager specifically identified by the Company, the Board shall

have the authority to set a shorter Vesting Period if the Remuneration Committee considers, or, as the case may be, the Board considers, that a shorter Vesting Period is appropriate to align the Grant with the purpose of this Scheme, including only Grants

- (i) of “make-whole” Options to Employee Participants who newly joined the Group to replace the share options they forfeited when leaving the previous employers;
- (ii) to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) of Options with performance-based vesting conditions provided in this Scheme, in lieu of time-based vesting criteria; and
- (iv) that are made in batches during a year for administrative and/or compliance reasons, which may include Options that should have been granted earlier but are in the end granted on a subsequent date together with some other Options as a batch; in this case, the Vesting Date may be adjusted to take account of the point in time at which the Options should have been granted if not for such administrative and/or compliance reasons.

4.11 The Options will not be listed or dealt in on the Stock Exchange.

4.12 So long as the Shares are listed on the Stock Exchange,

- (a) the Board may not make any Offer to any Eligible Participant after inside information has come to the Company’s knowledge until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules. In particular, no Offer may be made during the period commencing one month immediately preceding the earlier of
 - (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s results for any yearly, half-yearly, quarterly or other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any yearly, half-yearly, quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. For the avoidance of doubt, no Offer may be made during any period of delay in publishing a results announcement; and

- (b) the Board may not make any Offer to any Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

5. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

5.1 Subject to the terms and conditions of this Scheme,

- (i) in respect of any Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may; or
- (ii) in respect of any other Employee Participant, the Board may

establish performance target(s) the attainment of which shall be a precondition for vesting of the Options granted to the Grantee concerned. The Remuneration Committee (or, as the case may be, the Board) shall have the authority, after the grant of any Option which is performance-linked, to make fair and reasonable adjustments to the prescribed performance target(s) during an Option Period if there is any change in circumstances.

5.2 The performance target(s) to be attached to an Option should take such a form as the Remuneration Committee (or, as the case may be, the Board) may consider appropriate having regard to the key performance indicators, at Group, Company, subsidiary, division, department, operating unit, business line and/or project (collectively, the “**Business Units**”) levels, geographic levels, individual levels and/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, results of operations (gross, net or otherwise), returns to Shareholders, cash collection, funding costs, returns on investment, number of instances of commencement and completion of projects, customer satisfaction metrics, or such other parameters, key performance indicators of the Business Unit(s) to which the relevant Grantee belongs, personal appraisal results or matters relevant to the individual roles and responsibilities of the relevant Grantee as the Remuneration Committee (or, as the case may be, the Board) may determine from time to time. The Remuneration Committee (or, as the case may be, the Board) will conduct assessment at the end of the performance period by comparing the actual performance of the relevant Business Unit(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 performance target(s) has(have) been met. Such pre-determined target level(s) may be set by the Remuneration Committee (or, as the case may be, the Board) on a case by case basis with reference to factors including the specific position and role of the relevant Grantee in the Group, the overall business plan and strategy and the expected financial performance of the Group during the relevant period. Where a performance target is set in quantitative term, the performance target will be deemed to be met only if the actual level achieved reaches or exceeds the pre-determined target level. Alternatively, where a performance target is set in qualitative term, the Remuneration Committee (or, as the case may be, the Board) will carry out a performance appraisal and the performance target will be deemed to be met only if the performance is rated “A” (i.e. excellent) or “B” (i.e. great) on a scale of “A” to “F”. As a precondition for exercise of an Option granted, all quantitative and qualitative performance targets attached thereto must have been determined by the Remuneration Committee (or, as the case may be, the Board) to have been met in accordance with the above mechanism, which decision shall be final, conclusive and binding on all persons who may be affected thereby.

An Option shall not be exercisable until the Remuneration Committee (or, as the case may be, the Board) has determined that the performance target(s) attached thereto has(have) been attained, subject further to the occurrence of the Vesting Date and other conditions imposed under the provisions of this Scheme. In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained, the Option shall never become exercisable shall lapse forthwith.

- 5.3 Notwithstanding the terms and conditions of this Scheme, the Board may provide in the notice of Offer that any Option prior to it being exercised may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in paragraph 5.4 shall occur.
- 5.4 In respect of Options granted to a particular Grantee, if any of the following events (the “**Clawback Event**”) shall occur during the Option Period:
- (i) there being any material misstatement in the audited consolidated financial statements of the Company that requires a restatement; or
 - (ii) the Grantee being guilty of fraud or any other form of persistent or serious misconduct; or
 - (iii) where performance target(s) has(have) been attached to the Options, the Remuneration Committee (or, as the case may be, the Board) is of the opinion that there exists any circumstance which shows that any of the prescribed performance targets has been set in a materially inaccurate manner or which leads to any of the prescribed performance targets being irrelevant, inapplicable or inappropriate,

the Board may by notice in writing to the Grantee concerned (aa) claw back such number of Options granted to the Grantee (to the extent not already exercised) as the Board may consider appropriate; and/or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Options granted to the Grantee (to the extent not already exercised) to such a longer period as the Board may consider appropriate. The Options that are clawed back pursuant to this paragraph 5.4 will be regarded as cancelled, and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

6. SUBSCRIPTION PRICE

- 6.1 The Subscription Price in respect of an Option shall, subject to any adjustment made pursuant to paragraph 10, be determined at the discretion of the Board, provided that it must be at least the highest 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;
 - (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
 - (c) the nominal value of a Share.

7. EXERCISE OF OPTIONS

- 7.1 (a) Subject to paragraph 7.1(b) below, an Option granted shall be personal to the Grantee and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement to do so.
- (b) Subject to (i) written consent given by the Board (which the Board may or may not give at its absolute discretion); and (ii) waiver granted by the Stock Exchange, an Option held by a Grantee may be transferred to a vehicle (such as a private company wholly owned by the Grantee, or a trust of which the Grantee is a beneficiary or discretionary object) (the “**Participant Vehicle**”) for the benefit of the Grantee and any family member of such a Grantee (for estate planning or tax planning purposes, or such other reasons as the Board and the Stock Exchange may consider to be justifiable) that would continue to meet the purpose of this Scheme and comply with the requirements of Chapter 17 of the Listing Rules. In connection with the application for the above consent from the Board and the above waiver from the Stock Exchange, the Grantee shall (A) provide information on the beneficiaries or discretionary objects of the trust or the ultimate beneficial owners of the Participant Vehicle, and such other information as may be required by the Board and/or the Stock Exchange; and (B) consent to the disclosure of such information in the announcement, circular and/or report to be published by the Company. The Participant Vehicle shall comply with paragraph 7.1 (a), and other provisions of this Scheme shall apply, *mutatis mutandis*, to the Participant Vehicle.
- (c) Any breach of the provisions under paragraph 7.1(a) or (b) by a Grantee shall entitle the Company to cancel all unvested Options granted to such a Grantee and to cancel all vested Options granted to such a Grantee to the extent not already exercised.

- 7.2 Subject to paragraph 4.10 which requires that the Vesting Period in respect of any Option granted to any Grantee shall not be shorter than 12 months from the date of acceptance of the Offer unless a shorter Vesting Period is set in accordance therewith, and unless otherwise determined by the Board and stated in the notice of Offer to a Grantee, (i) a Grantee is not required to hold an Option for any minimum period nor achieve any performance target before the exercise of an Option granted to him; and (ii) any Option granted is not subject to the clawback mechanism referred to in paragraph 5.
- 7.3 Subject to paragraphs 3.4 and 16.9 and the fulfilment of all terms and conditions set out in the Offer, including, among others, the attainment of the performance target(s) attached to the Options stated therein (if any) as determined by the Remuneration Committee (or, as the case may be, the Board) under paragraph 5.2 and the occurrence of the Vesting Date, a Grantee may exercise the Options granted to him in the circumstances and in the manner as set out in paragraphs 7.4 by giving notice in writing to the Company stating that the Options are thereby exercised and the number of Shares in respect of which they are so exercised (which, except where the number of Shares in respect of which the Options remain unexercised is less than one board lot or where the Options are exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 21 days (7 days in the case of an exercise pursuant to paragraph 7.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 10, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Options by a Personal Representative pursuant to paragraph 7.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for the Shares so allotted and issued.

- 7.4 Subject to paragraphs 3.4 and 16.9 and the fulfilment of all terms and conditions set out in the Offer, including, among others, the attainment of the performance target(s) attached to the Options stated therein (if any) as determined by the Remuneration Committee (or, as the case may be, the Board) under paragraph 5.2 and the occurrence of the Vesting Date, and further subject as hereinafter provided, the Options granted to a Grantee may (and may only) be exercised by the Grantee at any time(s) during the Option Period provided that
- (a) in the event of the Grantee ceasing to be an Employee Participant by reason of his death, disability or retirement in accordance with his contract of employment before exercising the Options in full, he or, as appropriate, his Personal Representative(s) (only in the event that the Grantee has passed away) may exercise the Options (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within a period of 12 months (in the event of retirement in accordance with contract of employment) or 24 months (in the event of death or disability) following the date of cessation of employment which date shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, or such a longer period as the Board may determine or, if any of the events referred to in paragraph 7.4(c) or 7.4(d) occurs during such a period, exercise the Options pursuant to paragraph 7.4(c) or 7.4(d) respectively. In respect of those Options whose vesting period as determined by the Board under paragraph 4.10 has been met but which have not become exercisable because the performance target(s) stated in the Offer has(have) not been satisfied, the Board may, by reference to the level of attainment of the prescribed performance target(s) and other equitable factors, determine that the Grantee, or his Personal Representative(s) (only in the event that the Grantee has passed away), may exercise such number(s) of Options within such period(s) as the Board may consider appropriate, subject to any condition or limitation the Board may impose. For the avoidance of doubt, save as otherwise provided in the foregoing, all unvested Options shall lapse on the date of cessation of employment;
 - (b) in the event of the Grantee ceasing to be an Employee Participant for any reason other than his death, disability or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 8.1(c) before exercising the Options in full, the Options (to the extent vested but not already exercised) shall lapse on the date of cessation or termination of employment and not be exercisable unless the Board otherwise determines in which event the Grantee may exercise the Options (to the extent vested but not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 in such number(s) and within such period(s) as the Board may determine following the date of such cessation or termination of employment or, if any of the events referred to in sub-paragraph 7.4(c) or 7.4(d) occurs during such period(s), exercise the Options pursuant to paragraph 7.4(c) or 7.4(d) respectively. The date of cessation or termination of employment as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not. For the avoidance of doubt, all unvested Options shall lapse on the date of cessation or termination of employment;

- (c) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner, is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, during the Option Period, the Company shall use all reasonable endeavours to procure that such an offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such an offer becomes or is declared unconditional or such a scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other term on which his Options were granted, be entitled to exercise the Options (to the extent vested but not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 7.3 at any time thereafter and up to the close of such an offer (or any revised offer) or the record date for entitlements under such a scheme of arrangement, as the case may be. Subject to the above, all vested Options (to the extent not exercised) and unvested Options then outstanding will lapse on the date on which such an offer (or, as the case may be, the revised offer) closes or the relevant record date for entitlements under such a scheme of arrangement, as the case may be;
- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company in accordance with the provisions of paragraph 7.3 at any time not less than two (2) Business Days before the date on which such a resolution is to be considered and/or passed, exercise his Options (to the extent vested but not already exercised) either to its full extent or to the extent specified in the notice, and the Company shall allot and issue to the Grantee the Shares in respect of which the Grantee has exercised his Options not less than one (1) Business Day before the date on which such a resolution is to be considered and/or passed, whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such a resolution. Subject to the above, all vested Options (to the extent not exercised) and unvested Options then outstanding will lapse on the commencement of the winding-up of the Company; and

- (e) if the Options have been transferred by the Grantee to and are held by a Participant Vehicle,
 - (i) the provisions of paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall apply to such Options, *mutatis mutandis*, as if such Options had all along been held by the Grantee, and such Options shall accordingly fall to be exercisable or lapse upon occurrence of the event referred to in paragraph 7.4(a), 7.4(b), 8.1(c) or 8.1(d) with respect to the Grantee; and
 - (ii) the Options (if unvested, or if vested but not already exercised) granted to the Grantee shall lapse on the date the Participant Vehicle ceases to be wholly owned by the Grantee (where the Participant Vehicle is originally a private company wholly owned by the Grantee), or the date the Grantee ceases to be a beneficiary or discretionary object of the Participant Vehicle (where the Participant Vehicle is originally a trust of which the Grantee is a beneficiary or discretionary object), provided that the Board may at its absolute discretion decide that such Options or any part thereof shall not so lapse subject to such conditions or limitations as they may impose.

7.5 The Share to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company in force from time to time and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”). Accordingly, such a Share will entitle the holder thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date, including those arising on a liquidation of the Company, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with the record date falling before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights and may not be transferred by the Grantee until the name of the Grantee has been duly entered in the register of members of the Company as the holder thereof.

8. EARLY TERMINATION OF OPTION PERIOD

8.1 In the event that the performance target(s) attached to an Option is(are) absolutely determined by the Remuneration Committee (or, as the case may be, the Board) not to have been attained under paragraph 5.2, the Option shall never become exercisable and shall lapse forthwith.

In addition, the Option Period in respect of an Option shall automatically terminate and that Option (if unvested, or if vested but not already exercised) shall lapse and cease to be exercisable upon the earliest of

- (a) the expiry of the Option Period;
- (b) the dates specified in paragraph 7.4 as applicable; and
- (c) the date on which the Grantee ceases to be an Employee Participant by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, has committed any act of bankruptcy or made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or any member of the Group into disrepute).

8.1A In addition, an Option shall be cancelled when it is clawed back by the Board under paragraph 5.4, or when the Board shall exercise the Company's rights under paragraph 7.1(c) to cancel the Option by reason of a breach of paragraph 7.1(a) or (b) by the Grantee in respect of that or any other Option.

8.2 A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 8.1(c) or that any event referred to in paragraph 8.1(d)(i) has occurred shall be final, conclusive and binding on all persons who may be affected thereby.

- 8.3 The employment of a Grantee shall not be considered to have ceased where (a) the employment of the Grantee is transferred from one member of the Group to another member of the Group; or (b) the Grantee is placed on such a leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 Without prejudice to paragraph 9.2, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under this Scheme and all options and Awards to be granted under other Share Schemes shall not exceed ten (10) per cent. of the number of Shares in issue as at the date of approval of this Scheme, i.e. [•] Shares (the “**Scheme Mandate Limit**”). Options that have lapsed in accordance with the terms of this Scheme and options and Awards that have lapsed in accordance with the terms of other Share Schemes will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Unless expressly approved by the Shareholders at a general meeting and expressly allowed by the Stock Exchange, no Option may be granted under this Scheme and no option or Award may be granted under any other Share Scheme(s) if such a grant will result in the limit referred to in this paragraph 9.1 being exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by the shareholders of the Company at general meeting, the maximum numbers of Shares that may be issued in respect of all options and awards to be granted under this Scheme and other Share Schemes under the Scheme Mandate Limit 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).

- 9.2 Subject to paragraph 9.1 and without prejudice to

- (a) paragraph 9.2(b), the Company may seek approval of the Shareholders at a general meeting for refreshing the Scheme Mandate Limit under this Scheme, provided that
- (i) the total number of Shares which may be allotted and issued in respect of all Options to be granted under this Scheme and all options and awards to be granted under any other Share Scheme(s) under the scheme mandate as refreshed must not exceed 10 per cent. of the Shares in issue as at the date of approval of the refreshed scheme mandate; and

(ii) where the refreshment of the Scheme Mandate Limit is sought within three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of adoption of this Scheme),

(A) at a general meeting for considering and approving the resolution proposed in respect of such refreshment, the controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding INEDs) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution(s). Alternatively, they may vote against the relevant resolution(s) at the general meeting provided that their intention to do so has been stated in the relevant circular to Shareholders; and

(B) the Company shall comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing),

provided that the requirements under this paragraph 9.2(a)(ii) shall not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share; and

(b) paragraph 9.2(a), the Company may seek separate Shareholders' approval at a general meeting for granting Options under this Scheme beyond the Scheme Mandate Limit or, if applicable, the refreshed limit referred to in paragraph 9.2(a) to Eligible Participants specifically identified by the Company before such approval is sought. The number and terms of the Options to be granted to such participants must be fixed before Shareholders' approval. In respect of any such Option to be granted, the date of the board meeting for proposing such an Offer should be taken as the Offer Date for the purpose of calculating the Subscription Price under paragraph 6.1.

- 9.3 Subject to paragraph 9.4, where any Offer of Options to an Eligible Participant under this Scheme would result in the Shares issued and to be issued in respect of all Options granted to the Eligible Participant under this Scheme and all options and Awards granted to the Eligible Participant under any other Share Scheme(s) (excluding all Options that have lapsed in accordance with the terms of this Scheme and all options and Awards that have lapsed in accordance with the terms of any other Share Scheme(s)) in the 12-month period up to and including the Offer Date representing in aggregate over 1 per cent. of the total number of Shares in issue (the “**1% Individual Limit**”), such an Offer must be separately approved by the Shareholders at a general meeting with the Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person of the Company) abstaining from voting. The number and terms of Options to be granted to the Eligible Participant must be fixed before Shareholders’ approval. In respect of any such Option to be granted, the date of the board meeting for proposing such an Offer should be taken as the Offer Date for the purpose of calculating the Subscription Price under paragraph 6.1.
- 9.4 Without prejudice to paragraph 5.2, where any Offer of Options to an Eligible Participant who is a substantial shareholder of the Company or any of their respective associates under this Scheme would result in the Shares issued and to be issued in respect of all Options granted under this Scheme and all options and Awards granted under any other Share Scheme(s) (excluding all Options that have lapsed in accordance with the terms of this Scheme and all options and Awards that have lapsed in accordance with the terms of any other Share Scheme(s)) to such a person in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent. of the total number of Shares in issue, such an Offer must be approved by the Shareholders at a general meeting. The Eligible Participant, his associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution(s) at the general meeting; alternatively, they may vote against the relevant resolution(s) at the general meeting provided that their intention to do so has been stated in the relevant circular to Shareholders. In this connection, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing). The number and terms of the Options to be granted to the Eligible Participant must be fixed before the general meeting. In respect of any such Option to be granted, the date of the board meeting for proposing such an Offer should be taken as the Offer Date for the purpose of calculating the Subscription Price under paragraph 6.1.
- 9.5 Any change in the terms of Options granted under this Scheme to any Grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders at a general meeting in the manner as set out in paragraph 9.4, if the initial Grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this Scheme).

9.6 The requirements for the Grant to a Director or chief executive of the Company set out in paragraphs 4.2, 9.4 and 9.5 do not apply where the Eligible Participant is only a proposed Director or a proposed chief executive of the Company.

9.7 For the purpose of seeking the approval of the Shareholders under paragraphs 9.2, 9.3, 9.4 and 9.5, the Company must send a circular to the Shareholders containing the information required under the Listing Rules, within such time as may be specified in the Listing Rules, and where the Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with the relevant persons abstaining from voting as required under the Listing Rules.

10. ADJUSTMENTS TO THE SUBSCRIPTION PRICE

10.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or subdivision of the Shares or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustments, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to

- (a) the number or nominal amount of Shares to which this Scheme or any Option(s) relate(s) (insofar as it is/they are unexercised);
- (b) the Subscription Price of any Option(s); and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares underlying or which remain underlying the Options granted to any Grantee,

and an adjustment as so certified by the Auditors or the independent financial adviser shall be made, provided that

- (aa) any such adjustment shall give the 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 entitled immediately prior to such an adjustment;
- (bb) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value;

- (cc) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and
- (dd) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules as may be promulgated by the Stock Exchange from time to time.

In respect of any adjustment referred to in this paragraph 10.1, other than any adjustment made on a capitalisation issue, the Auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

- 10.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 10.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 7.3, inform the Grantee of such an alteration and shall either inform the Grantee of the adjustments to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purposes or, if no such certificate has yet been obtained, inform the Grantee of such facts and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 10.1.
- 10.3 In giving any certificate under this paragraph 10, the Auditors or the independent financial adviser appointed under paragraph 10.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of any manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

11. CANCELLATION OF OPTIONS

- 11.1 Subject to paragraphs 5.4 and 7.1(c) and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Board.
- 11.2 Where the Company cancels any Option granted to a Grantee and offers new Option(s) to the same Eligible Participant, such an Offer of new Option(s) may only be made with available Scheme Mandate Limit approved by the Shareholders pursuant to paragraph 9.1 or 9.2. The Options cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

12. SHARE CAPITAL

- 12.1 The exercise of any Option shall be subject to the Shareholders at a general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Options.

13. DISPUTES

- 13.1 Any dispute arising in connection with the number of Shares, the subject of an Option, or any adjustment under paragraph 10.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of any manifest error, be final, conclusive and binding on all persons who may be affected thereby.

14. ALTERATION OF THIS SCHEME

- 14.1 Subject to paragraphs 14.2 and 14.4, this Scheme may be altered in any respect by a resolution of the Board, except that

- (a) any alteration to the terms and conditions of this Scheme which is of a material nature, including but not limited to the provisions of this Scheme as to the definitions of “Eligible Participant”, “Grantee”, “Option Period” and “Termination Date” in paragraph 1.1, shall not be made; and
- (b) the provisions of this Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Eligible Participants,

except with the sanction of a resolution of the Shareholders at a general meeting.

- 14.2 Subject to paragraph 14.3, any change to the terms of any Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders at a general meeting (as the case may be) if the initial Offer of the Options was approved by the Board, the Remuneration Committee, the INEDs and/or the Shareholders at a general meeting (as the case may be), in accordance with the terms of this Scheme and Chapter 17 of the Listing Rules. The foregoing provisions of this paragraph 14.2 shall not apply where the alterations take effect automatically under the existing terms of this Scheme.

- 14.3 Any change to the authority of the Board or the administrators of this Scheme to alter the terms of this Scheme must be approved by the Shareholders at a general meeting.

- 14.4 The terms of this Scheme and/or any Option amended pursuant to this paragraph 14 must comply with the applicable requirements under Chapter 17 of the Listing Rules.

14.5 Where the terms of this Scheme are amended, the Company shall, immediately upon such changes taking effect, provide to all Eligible Participants all details relating to changes in the terms of this Scheme during the life of this Scheme.

15. TERMINATION

15.1 The Company may by resolution at a general meeting at any time terminate this Scheme and in any such event, no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and (subject to vesting in accordance with the terms of the Offer) exercisable in accordance with the terms of this Scheme.

16. MISCELLANEOUS

16.1 This Scheme shall not form part of any contract of employment between the Company, any Subsidiary and any Employee Participant and the rights and obligations of any Employee Participant under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in this Scheme and this Scheme shall afford such an Employee Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

16.2 This Scheme shall not confer on any person any legal or equitable right (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

16.3 The Company shall bear the costs of establishing and administering this Scheme, including any cost of the legal advisers, Auditors or independent financial adviser (if any) retained in relation to the preparation of any certificate by them or provision of any other service in relation to this Scheme.

16.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notice or document being sent to the Shareholders.

16.5 The Company must comply with Chapter 14A of the Listing Rules for providing financial assistance (if any) to any Grantee who is a connected person for the purpose of facilitating the Grantee's subscription of Share(s) in respect of the Option(s).

- 16.6 Any notice or other communication between the Company and an Eligible Participant or a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Eligible Participant or Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or any other member of the Group or the Company's principal place of business in Hong Kong from time to time.
- 16.7 Any notice or other communication sent by an Eligible Participant or a Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 16.8 Any notice or other communication sent to an Eligible Participant or a Grantee shall be deemed to be given or made
- (a) one (1) day after the date of posting, if sent by prepaid post; or
 - (b) when delivered, if sent by personal delivery.
- 16.9 A Grantee shall, before accepting an Offer or exercising his Option(s), obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option(s) and the Company to allot and issue to him in accordance with the provisions of this Scheme the Share(s) falling to be allotted and issued upon the exercise of his Option(s). By accepting an Offer or exercising his Option(s), the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to the acceptance of an Offer by a Grantee and the exercise by a Grantee of his Option(s). A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay any tax or other liability in relation thereto.
- 16.10 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 16.11 By accepting an Offer, a Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any right under this Scheme.
- 16.12 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING



Stella International Holdings Limited 九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**AGM**”) of Stella International Holdings Limited (“**Company**”) will be held by way of electronic means at 3:00 p.m. on Thursday, 9 May 2024 to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”) and auditor (“**Auditor**”) of the Company for the year ended 31 December 2023.
2. to declare a final dividend for the year ended 31 December 2023.
3. to consider the re-election of the retiring Directors, each as a separate resolution, and to authorise the board (“**Board**”) of Directors to fix the remuneration of the Directors.
4. to consider the re-appointment of Ernst & Young as the Auditor for the year ending 31 December 2024 and to authorise the Board to fix the remuneration of the Auditor.

and, to consider, and if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

5. “THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares (“**Shares**”) of HK\$0.10 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to
 - (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the award of shares or exercise of options granted under any scheme that may be adopted by the Company from time to time in accordance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or similar arrangement adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles of Association**”) of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 5% of the total number of Shares in issue as at the date of the passing of this resolution (such total number of Shares to be subject to adjustment in the event of any subdivision or consolidation of Shares after the date of passing of this resolution), and the said approval shall be limited accordingly; and

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- (d) any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (a) above shall not be at a discount of more than 5% of the Benchmarked Price (as defined below) of such Shares;
- (e) for the purpose of this resolution:

“**Benchmarked Price**” means the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of Shares; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the earlier of: (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of Shares, (B) the date of the agreement involving the relevant proposed issue of Shares and (C) the date on which the price of Shares that are proposed to be issued is fixed.

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company following the passing of this resolution is required by the Articles of Association or any applicable law of the Cayman Islands to be held; and
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares (“**Shares**”) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose under the Code on Share Buy-backs, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (such total number of Shares to be subject to adjustment in the event of any subdivision or consolidation of Shares after the date of passing of this resolution, provided that the maximum numbers of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of Shares in issue at the dates immediately before and after such consolidation or subdivision shall be the same), and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
 - (ii) the expiration of the period within which the next annual general meeting of the Company following the passing of this resolution is required by the articles of association of the Company or any applicable law to be held; and
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT**

- (a) with effect from the date of passing of this resolution, the provisions of the share option scheme substantially in the form set out in Appendix III to the circular of the Company dated 11 April 2024 (the “**2024 Share Option Scheme**”), a copy of which has been produced to the meeting marked “A” and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted as the share option scheme of the Company and that the Directors be and are hereby authorised to approve any amendment to the provisions of the 2024 Share Option Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong Limited, to grant options to subscribe for shares of the Company thereunder at the Directors’ sole and absolute discretion, to allot, issue and deal with shares of the Company pursuant to the exercise of options granted thereunder from time to time, and to do all such acts and enter into all such transactions and arrangements as may be necessary or expedient in order to give effect thereto;
- (b) the maximum number of shares (“**Shares**”) of HK\$0.10 each in the share capital of the Company which may be allotted and issued in respect of all options to be granted under the 2024 Share Option Scheme (the “**Options**”) and all options and awards to be granted under other Share Schemes (as defined in paragraph (c) below) shall not exceed 10% of the total number of Shares in issue as at the date of passing of this resolution (the “**Scheme Mandate Limit**”), and unless expressly approved by the shareholders of the Company at a general meeting and expressly allowed by The Stock Exchange of Hong Kong Limited, no Option may be granted under the 2024 Share Option Scheme and no option or award may be granted under any other Share Scheme(s) if such a grant will result in the limit referred to in this paragraph (b) being exceeded, provided that
 - (i) options that have lapsed in accordance with the terms of the 2024 Share Option Scheme and options and awards that have lapsed in accordance with the terms of other Share Schemes will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) if the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved by the shareholders of the Company at general meeting, the maximum numbers of Shares that may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and other Share Schemes under the Scheme Mandate Limit 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),

and the said approval shall be limited accordingly; and

- (c) for the purpose of this resolution, “Share Scheme” means any scheme that may be adopted by the Company from time to time providing for the grant by the Company of share awards using new Shares to be issued by the Company or the grant by the Company of options over Shares.”

8. “**THAT** conditional upon the resolution numbered 7 above being passed, the existing share option scheme of the Company approved and adopted pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 19 May 2017 (the “**2017 Share Option Scheme**”) be and is hereby terminated upon the 2024 Share Option Scheme coming into effect (without prejudice to the rights and benefits of and attached to any outstanding option which has been granted under the 2017 Share Option Scheme prior to the date of the passing of this resolution).”

By order of the Board of
Stella International Holdings Limited
Kan Siu Yim
Company Secretary

Hong Kong, 11 April 2024

Head office and principal place of business in Hong Kong:

Flat C, 20/F, MG Tower
133 Hoi Bun Road
Kowloon, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Company will conduct a virtual Annual General Meeting using Computershare Online Platform (the “Online Platform”), which allows shareholders of the Company (“Shareholders”) to participate in the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast and participate in voting and submit questions in written form at the Annual General Meeting via their mobile phones, tablet, or computers.
2. Shareholders can refer to the invitation letter to be disseminated together with this notice and the Online Meeting User Guide for details of online voting at the Annual General Meeting. If you have any queries on the above please contact the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, via their hotline at (852) 2862 8555 from 9:00a.m. to 6:00p.m. (Monday to Friday, excluding Saturday and Hong Kong public holiday).
3. All resolutions at the meeting will be taken by poll 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 website of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
4. Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can achieve this in one of the following ways:
 - (a) attend the Annual General Meeting via Online Platform which enables live streaming and interactive platform for Q&A and submit their voting online; OR
 - (b) appoint the Chairman of the Annual General Meeting or other persons as their proxy to attend the Annual General Meeting via Online Platform and submit their voting online.

Non-registered holders whose shares of the Company are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may be able to attend the Annual General Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

5. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of him/her. A proxy need not 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 via Online Platform or by proxy shall be entitled to one vote for each share held by him/her.
6. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which is signed or a certified copy of that power of attorney or authority, must be deposited to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00p.m. on Tuesday, 7 May 2024 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 via the Online Platform and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. The register of members of the Company will be closed from Monday, 6 May 2024 to Thursday, 9 May 2024 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the above meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar at the above address by no later than 4:30 p.m. on Friday, 3 May 2024.

NOTICE OF ANNUAL GENERAL MEETING

8. In relation to resolution numbered 5 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of any options granted under the 2017 Share Option Scheme or to be granted under the 2024 Share Option Scheme and under any scrip dividend scheme which may be approved by the Shareholders.
9. In relation to resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders.
10. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 1:00 p.m. on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the Company's website (www.stella.com.hk) and the Stock Exchange's website (www.hkexnews.hk) to notify Shareholders of the date, time and place of the adjourned meeting. The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force.

As at the date of this notice, the executive Directors are Mr. Chen Li-Ming, Lawrence, Mr. Chi Lo-Jen, Mr. Gillman Charles Christopher and Mr. Chiang Yi-Min, Harvey; and the independent non-executive Directors are Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Ms. Shi Nan Sun and Ms. Wan Sin Yee, Sindy.